DS-358 DECEMBER 1975

# DAIRY Situation

ECONOMIC RESEARCH SERVICE U.S. DEPARTMENT OF AGRICULTURE

## CURRENT SITUATION CHARTS

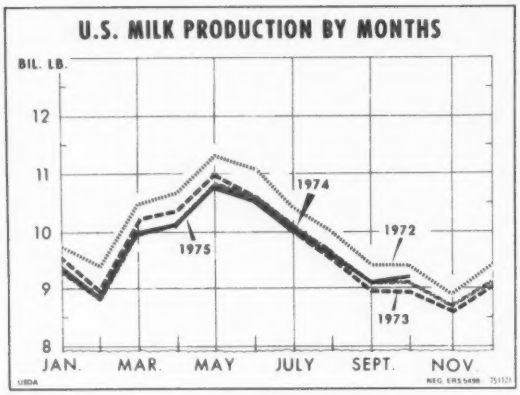



Figure 1

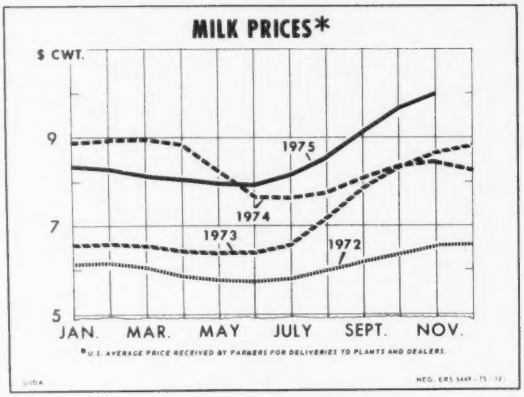



Figure 2

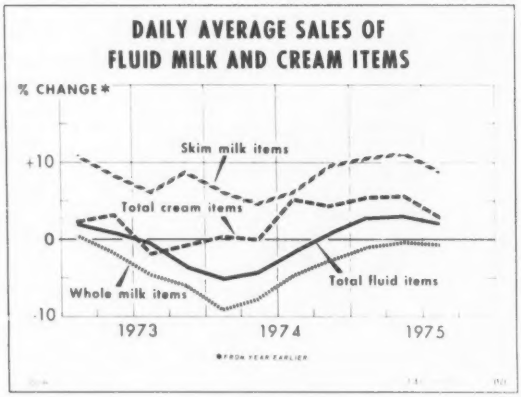



Figure 3

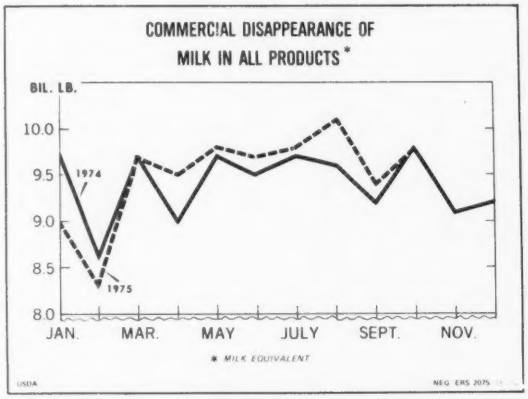



Figure 4

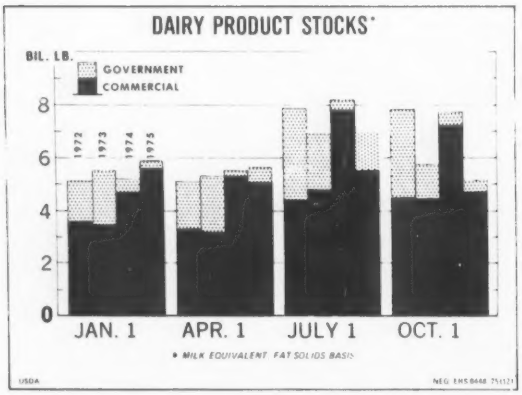
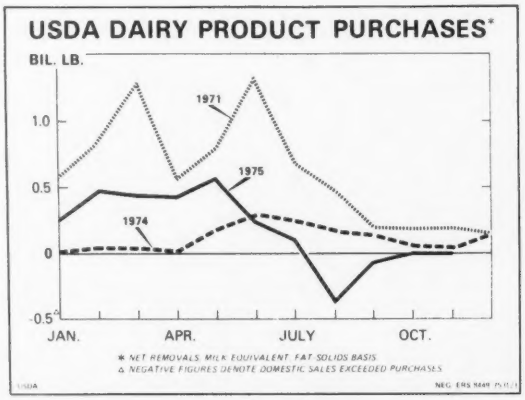



Figure 5

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# SUMMARY


The recent gain from a year earlier in milk production likely will continue and output during the first half of 1976 could be up about 1 percent. The 1975 total likely will be close to 1974's 115.4 billion pounds. Tight supplies of milk for manufacturing kept farm milk prices rising through late 1975 but a sharper-than-normal seasonal downturn is expected in early 1976.

The drop in cow numbers is not likely to accelerate sharply in early 1976. Low slaughter cow prices, a fairly large supply of dairy replacements on farms, and the lack of significant improvement in off-farm employment alternatives for dairymen will continue to limit the declines.

Large feed supplies have resulted in substantially lower feed prices than a year ago. Expected feed costs, averaging below year-earlier levels during the barn feeding season, and considerably higher farm milk prices likely will result in heavier grain feeding in early 1976. Milk output per cow may well continue to increase and may show more normal gains from year-earlier levels in coming months.

October's milk output was almost 1 percent above 1974, the first such gain since March. Heavier concentrate feeding sparked a recovery in output per cow, which easily outweighed the relatively small drop in milk cow numbers.

Farm milk prices continued rising sharply this fall, reaching $10.00 per hundred pounds in November, up more than $2 from last June. Manufacturing milk prices were more than $1 above the current support price in November.

Cash receipts from dairying were up about an eighth from a year ago in August-October, due to higher farm milk prices. The 1975 total may be around $9.8 billion, up from $9.4 billion in 1974. Gross dairy income likely will remain above year-earlier levels in early 1976.

Tight supplies and relatively strong sales resulted in sharply higher wholesale prices in late 1975. By early December, butter prices were up about 35 cents per pound from late spring levels, American cheese prices were up almost 21 cents, and nonfat dry milk prices were up about 12 cents. Wholesale dairy prices likely will decline in early 1976 as supplies of milk available for manufacturing are expected to exceed this year's levels.

Retail dairy prices have jumped in recent months, as wholesale price increases have been re-



The *Dairy Situation* is published in March, May, July, September, and December

flected at retail, and are likely to continue rising through early 1976. However, because of price declines early in the year, the average rise for 1975 likely will be less than the yearly increases of the early 1970's.

Supplies of milk available for manufacturing approached year-earlier levels in October after showing sharp summer drops, but butter, nonfat dry milk, and American cheese output was still below a year ago. Manufactured product output could show increases in early 1976 if gains in milk production continue and fluid sales slow as expected.

Dairy sales, although starting to slow recently, have been quite strong this year. Fluid sales in September-October were well above both 1973 and 1974 levels and cheese sales have posted gains this fall. Butter sales have stayed fairly strong but fell below last year's sharply increased levels in September-October. In light of this year's stronger sales, per capitā civilian consumption of dairy products may be slightly above 1974's 543 pounds milk equivalent. However, consumer resistance to higher retail prices likely will weaken dairy sales in early 1976.

Commercial dairy stocks have been pulled down at a rapid pace in recent months by the strong sales and lower dairy product output. Commercial butter stocks were at record-low seasonal levels on November 1 and manufacturers' stocks of nonfat dry milk were the lowest for that date since 1950. Although American cheese stocks were still above the levels of the early 1970's, they have experienced an unprecedented seasonal drop. CCC's uncommitted inventories of butter and cheese were at negligible levels on December 1 but nonfat dry milk holdings, despite some recent sales to the domestic industry, still totaled about 431 million pounds.

U.S. dairy imports through October were well under the level of a year earlier and were also less than during the early 1970's. Most of the decline was due to smaller cheese imports. With the exception of nonfat dry milk donated under the Food for Peace program this summer, exports of dairy products remained small and were slightly below year-earlier levels during January-October.

# DAIRY SITUATION

## SITUATION AND OUTLOOK

### PRODUCTION

#### Milk Output Recovers

October's milk production totaled 9.2 billion pounds, up about 0.9 percent from a year earlier—the sharpest increase in almost a year. Production had been below year-earlier levels for 5 consecutive months, with production down almost 1½ percent in July and gradually recovering throughout August and September. The October increase left production for the first 10 months around 0.3 percent below year-earlier levels (table 1). The Northeast and Pacific regions have produced more milk this year, while the Lake States and the Corn Belt have turned out less. Of the five major dairy States, milk production has been higher in all but Minnesota, which has experienced some sharp decreases in output per cow.

U.S. milk production

| Month | 1974 | 1975 | Change |
|---|---|---|---|
| | *Million pounds* | *Million pounds* | *Percent* |
| January | 9,287 | 9,301 | +0.2 |
| February | 8,765 | 8,775 | +.1 |
| March | 9,988 | 10,023 | +.4 |
| April | 10,122 | 10,121 | 0 |
| May | 10,841 | 10,789 | -.5 |
| June | 10,563 | 10,460 | -1.0 |
| July | 10,139 | 9,998 | -1.4 |
| August | 9,690 | 9,609 | -.8 |
| September | 9,140 | 9,101 | -.4 |
| October | 9,125 | 9,205 | +.9 |
| November | 8,669 | | |
| December | 9,087 | | |
| Total | 115,416 | | |

Production per cow, which has been the major source of variation in milk output this year, was 827 pounds in October—an increase of 12 pounds from year-earlier levels and 36 pounds above the depressed levels of October 1973. During the first 9 months of 1975, production per cow ranged from 8 pounds above year-earlier levels in March to 8 pounds below in July. With the rise in farm milk prices this fall, farmers began heavier feeding and were feeding about a tenth more concentrates on October 1 than in either 1973 or 1974.

The decline in milk cow numbers continued at a relatively slow rate in October—down 0.7 percent from a year ago and 1.6 percent below October 1973. Low slaughter cow prices undoubtedly have been one reason for the relatively slow decline in cow numbers. Utility cow prices averaged about $22 per 100 pounds at Omaha during early December, compared with about $18 in December 1974 and about $30 in December 1973. Large numbers of dairy replacements on farms at midyear and still limited off-farm employment alternatives for dairymen probably also have been important.

#### Milk Production Prospects

Milk production is likely to increase in coming months, although the magnitude of the increase will depend on several factors which will influence production decisions:

(1) Farm milk prices have risen sharply this fall. Although likely to show sharper-than-normal seasonal declines in early 1976, milk prices will remain above year-earlier levels as the October increase in the price support level limits declines.

(2) Grain and other concentrate prices likely will run somewhat lower in early 1976 than in early 1975. Prices later in 1976 will be heavily influenced by the outlook for 1976 crops.

(3) The milk-feed price ratio, which generally improved through 1975, stood at almost 1.8 in November, up from 1.2 last November. Milk-feed price relationships likely will continue more favorable during the first half of 1976 than in early 1975.

(4) Larger feed crops have resulted in much greater availability of home-grown and locally-grown feed and may help increase feeding rates in the Midwest.

(5) Silage quality is generally improved this year, although high quality hay likely will be in tight supply.

(6) The value of dairy cows increased only slightly this year. Averaging $433 per head in November, milk cow prices were up $30 since January but only $5 above the November 1974 level.

(7) Despite some expected increase from fall levels, slaughter cow prices are likely to remain relatively low throughout the first half of 1976. This likely will help to limit declines in milk cow numbers, at least through the first half of 1976, after which some further increase in cow prices is probable.

(8) The general economy continues to improve, with unemployment rates likely to decline slightly

Table 1 .--Milk production and factors affecting supply, United States, selected years, 1950-75

| Year | Milk cattle on farms, January 1 1/ | | | Milk cows on farms, average during year | Milk production | | Prices received by farmers, 1967=100 | |
|---|---|---|---|---|---|---|---|---|
| | Milk cows and heifers that have calved | Milk cow replacements; heifers 500 pounds and over | | | Per cow | Total | Dairy products | All farm products |
| | | Total | Per 100 cows | | | | | |
| | Thou. | Thou. | No. | Thou. | Lb. | Mil. lb. | | |
| 1950 | 22,000 | 6,945 | 31.6 | 21,944 | 5,314 | 116,602 | 81 | 102 |
| 1955 | 21,320 | 6,832 | 32.0 | 21,044 | 5,842 | 122,945 | 81 | 91 |
| 1960 | 17,650 | 5,686 | 32.2 | 17,515 | 7,029 | 123,109 | 84 | 94 |
| 1965 | 15,380 | 4,780 | 31.1 | 14,953 | 8,305 | 124,180 | 85 | 98 |
| 1966 | 14,490 | 4,450 | 30.7 | 14,071 | 8,522 | 119,912 | 96 | 105 |
| 1967 | 13,725 | 4,215 | 30.7 | 13,415 | 8,851 | 118,732 | 100 | 100 |
| 1968 | 13,115 | 4,080 | 31.1 | 12,832 | 9,135 | 117,225 | 104 | 103 |
| 1969 | 12,550 | 3,990 | 31.8 | 12,307 | 9,434 | 116,108 | 109 | 108 |
| 1970 | 12,091 | 3,880 | 32.1 | 12,000 | 9,747 | 116,962 | 113 | 110 |
| 1971 | 11,909 | 3,843 | 32.3 | 11,842 | 10,009 | 118,532 | 116 | 112 |
| 1972 | 11,778 | 3,828 | 32.5 | 11,698 | 10,250 | 119,904 | 120 | 126 |
| 1973 | 11,624 | 3,874 | 33.3 | 11,409 | 10,114 | 115,385 | 140 | 172 |
| 1974 2/ | 11,286 | 3,942 | 34.9 | 11,221 | 10,286 | 115,416 | 160 | 184 |
| 1975 2/ | 11,217 | 4,095 | 36.5 | *11,158 | *8,728 | *97,382 | **164 | **180 |

| Year | Average prices received by farmers per 100 pounds | | | | | Parity prices per 100 pounds 3/ | | |
|---|---|---|---|---|---|---|---|---|
| | All milk, wholesale | Milk, eligible for fluid market | Milk, manufacturing grade | Bottling milk 4/ | Milkfat in cream 5/ | All milk, wholesale | Milkfat in cream 5/ | Equivalent for manufacturing milk |
| | Dol. | Dol. | Dol. | Dol. | Ct. | Dol. | Ct. | Dol. |
| 1950 | 3.89 | 4.36 | 3.16 | 4.86 | 62.0 | 4.32 | 69.2 | 3.82 |
| 1955 | 4.01 | 4.50 | 3.15 | 5.18 | 57.8 | 4.71 | 74.1 | 3.94 |
| 1960 | 4.21 | 4.69 | 3.25 | 5.48 | 60.5 | 5.01 | 74.1 | 4.01 |
| 1965 | 4.23 | 4.63 | 3.34 | 5.39 | 61.1 | 5.53 | 79.2 | 4.31 |
| 1966 | 4.81 | 5.17 | 3.97 | 5.82 | 67.2 | 5.73 | 82.1 | 4.47 |
| 1967 | 5.02 | 5.43 | 4.06 | 6.20 | 68.2 | 5.88 | 84.0 | 4.62 |
| 1968 | 5.24 | 5.67 | 4.22 | 6.50 | 68.4 | 6.06 | 86.1 | 4.79 |
| 1969 | 5.49 | 5.87 | 4.45 | 6.70 | 68.9 | 6.49 | 91.5 | 5.15 |
| 1970 | 5.71 | 6.05 | 4.70 | 6.94 | 70.0 | 6.87 | 95.3 | 5.49 |
| 1971 | 5.87 | 6.19 | 4.86 | 7.12 | 69.1 | 7.21 | 99.1 | 5.79 |
| 1972 | 6.07 | 6.38 | 5.08 | 7.26 | 67.5 | 7.70 | 103.0 | 6.21 |
| 1973 | 7.14 | 7.42 | 6.20 | N.A. | 67.2 | 8.64 | 113.0 | 7.01 |
| 1974 2/ | 8.32 | 8.66 | 7.13 | N.A. | 63.4 | 9.88 | 124.0 | 8.12 |
| 1975 2/ | **8.57 | **8.87 | **7.54 | N.A. | **65.1 | 11.00 | 129.0 | 9.14 |

1/ Prior to 1965, estimated by Livestock Section, ERS.
2/ Preliminary.
3/ At beginning of marketing year.
4/ Dealers' average buying price for milk used in fluid products.
5/ Cents per pound.

* Ten-month total or average.
** Eleven-month average.

although they will still remain relatively high. Thus, off-farm employment opportunities for dairy farmers are not likely to improve quickly.

Considered in total, this set of conditions will likely mean increased milk output this winter, as gains in output per cow more than offset the relatively small declines in cow numbers. The improved milk-feed price relationships, more homegrown feed, and the resulting heavier grain feeding likely will lead to more normal gains in output per cow.

The drop in milk cow numbers likely will remain relatively small. After rising slightly during the second half of 1974, the number of milk cows has declined very slowly throughout 1975. The decreases from a year earlier have stayed close to ½ percent, the slowest year-to-year decline in two decades. Although the decline from a year earlier may be somewhat greater in coming months, many of the factors that were important this year may continue to limit declines in early 1976.

The recent recovery in milk production could bring the 1975 total close to the 1974 total of 115.4 billion pounds. This means that milk output for 3 straight years would be almost unchanged—an unprecedented occurrence.

Milk production for the first half of 1976 could show an increase of around 1 percent. Output later in the year will depend on milk prices, cull cow prices, crop conditions and subsequent feed prices, and developments in the general economy. If milk-feed price relationships are favorable next fall, gains in milk output could continue throughout 1976. On the other hand, shortfalls in feed output, sharp increases in herd culling, or sluggish dairy prices could cause milk production to slow during the second half of the year.

### Feed Prices Lower

As of November 1, this year's corn crop was forecast at 5.8 billion bushels and the soybean crop at 1.5 billion bushels, both up almost a fourth from last year.

The large soybean crop, coupled with a big carryover, will provide an ample supply for the domestic crushing industry. Soybean meal prices in early December were about $130 per ton, compared with about $150 a year ago. Corn in Chicago in early December was quoted at around $2.70 per bushel, down slightly from mid-October and off 80-85 cents from a year ago.

Feed grain prices likely will run somewhat lower in 1975/76 than in the past year. Corn prices at the farm may average between $2.40 and $2.90 per bushel, compared with about $3.00 in the 1974/75 corn marketing year. Price levels at midseason will be heavily influenced by the outlook for 1976 crops.

The cost of 16 percent dairy ration averaged $133 per ton in November, down about 12 percent

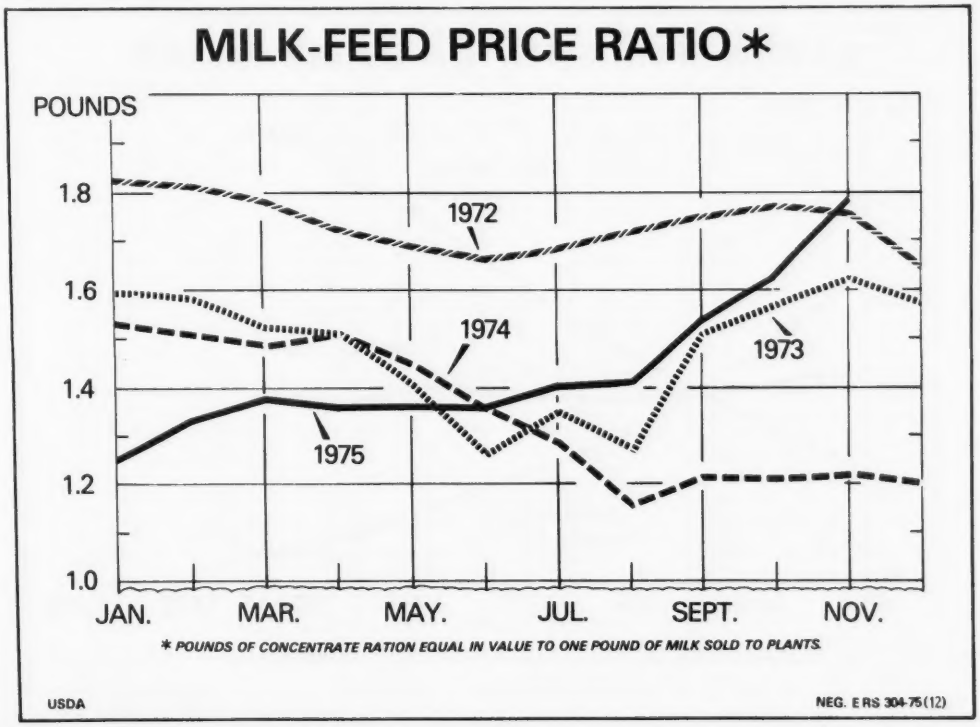


Figure 7

from a year ago. The milk-feed price ratio (pounds of feed equal in value to 1 pound of milk)[1] was almost 1.8 in November, up from 1.5 in September and well above the 1.2 of a year earlier (figure 7). The difference in the value of 100 pounds of milk and 100 pounds of concentrate ration stood at $4.37 in November, almost triple the year-earlier difference and more than $1 above the previous record which occurred in November 1973. Milk-feed price relationships likely will continue more favorable during the first half of 1976 than in early 1975 (table 2).

Milk-feed price ratio[1]

| Month | 1973 | 1974 | 1975 |
|---|---|---|---|
| | *Pounds* | *Pounds* | *Pounds* |
| January | 1.59 | 1.53 | 1.25 |
| February | 1.58 | 1.51 | 1.33 |
| March | 1.52 | 1.49 | 1.38 |
| April | 1.51 | 1.51 | 1.36 |
| May | 1.40 | 1.45 | 1.36 |
| June | 1.26 | 1.36 | 1.36 |
| July | 1.35 | 1.29 | 1.40 |
| August | 1.27 | 1.16 | 1.41 |
| September | 1.51 | 1.22 | 1.54 |
| October | 1.57 | 1.21 | 1.62 |
| November | 1.62 | 1.23 | 1.78 |
| December | 1.57 | 1.20 | |
| Average | 1.48 | 1.35 | |

[1] Pounds of concentrate ration equal in value to 1 pound of milk.

Based on October 1 indications, hay production this year will total 130 million tons, about 2½ percent above last year's crop but 3 percent below 1973. Increases in both acreage harvested and yield accounted for the larger crop. However, due to the low carryover on May 1, the 1975/76 hay supply, at 149 million tons, was 2 percent less than last season's and the smallest since 1967/68. In the five leading dairy States hay production was virtually unchanged from 1974, with Pennsylvania, Wisconsin, and Minnesota showing slight increases while Calfornia and New York showed decreased production. Farmers paid an average $66 per ton for baled alfalfa hay in November, up slightly from the $65 paid last November.

Dairy cattle remained on pasture later than normal this fall as the Nation's pastures on November 1 were reported in fair condition at 77 percent. This is 7 points above a year ago, but 2 points below the 1964-73 average for that time. However, among the leading dairy States, pastures were in good to excellent condition in New York and Pennsylvania while Minnesota and Wisconsin pastures were poor to fair.

### Labor Productivity on Dairy Farms Increases

Obtaining dependable labor remains a pressing problem for dairy farmers, who are having to compete with wages paid in nonfarm industries as well

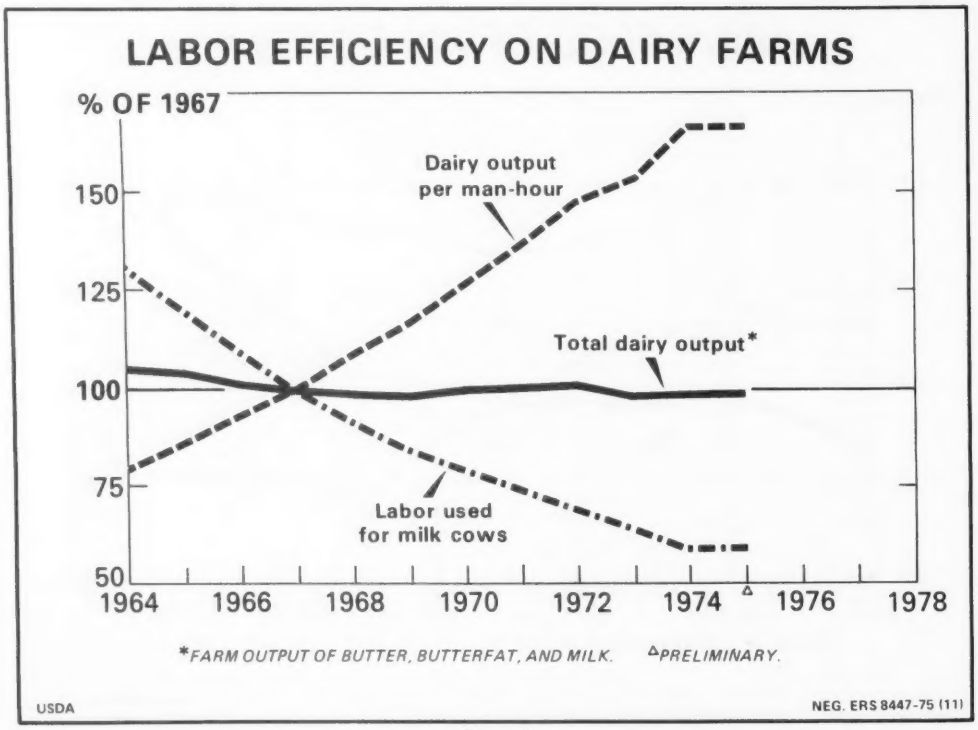


Figure 8

Table 2--Dairy: Feed costs, milk cow and other livestock prices, milk-livestock price ratios, and feed consumed, United States, selected years, 1955-75

| Year | Dairy ration cost | | Milk cow cost | | Livestock prices and milk-livestock price ratios | | | |
|---|---|---|---|---|---|---|---|---|
| | Value per 100 pounds | Milk-feed price ratio | Price received per head | Milk required to buy a cow | Beef-cattle price per 100 pounds | Manufacturing milk-beef price ratio | Hog price per 100 pounds | Manufacturing milk-hog price ratio |
| | Dol. | Lb. | Dol. | Cwt. | Dol. | Lb. | Dol. | Lb. |
| 1955 | 3.16 | 1.28 | 146 | 36 | 15.60 | 0.20 | 15.00 | 0.21 |
| 1960 | 2.92 | 1.45 | 223 | 53 | 20.40 | .16 | 15.40 | .21 |
| 1961 | 2.92 | 1.45 | 224 | 53 | 20.20 | .17 | 16.60 | .20 |
| 1962 | 2.95 | 1.40 | 221 | 54 | 21.30 | .15 | 16.30 | .20 |
| 1963 | 3.04 | 1.36 | 215 | 52 | 19.90 | .16 | 14.90 | .22 |
| 1964 | 3.03 | 1.38 | 209 | 50 | 18.00 | .18 | 14.80 | .22 |
| 1965 | 3.03 | 1.40 | 212 | 50 | 19.80 | .17 | 20.80 | .17 |
| 1966 | 3.15 | 1.53 | 246 | 51 | 22.20 | .18 | 23.00 | .18 |
| 1967 | 3.23 | 1.56 | 260 | 52 | 22.20 | .18 | 19.00 | .22 |
| 1968 | 3.10 | 1.70 | 274 | 52 | 23.40 | .18 | 18.70 | .23 |
| 1969 | 3.15 | 1.75 | 300 | 55 | 26.20 | .17 | 23.00 | .20 |
| 1970 | 3.28 | 1.74 | 332 | 58 | 27.10 | .17 | 21.90 | .22 |
| 1971 | 3.44 | 1.71 | 358 | 61 | 29.00 | .17 | 17.90 | .27 |
| 1972 | 3.52 | 1.73 | 397 | 65 | 33.50 | .15 | 26.00 | .20 |
| 1973 | 4.88 | 1.48 | 496 | 69 | 42.80 | .15 | 39.40 | .16 |
| 1974 1/ | 6.23 | 1.35 | 500 | 60 | 35.60 | .20 | 34.30 | .21 |
| 1975 2/ | 5.99 | 1.44 | 408 | 48 | 32.80 | .23 | 47.47 | .16 |
| 1976 | | | | | | | | |

| Year | Grain and other concentrates fed to milk cows | | | Dairy pasture feed condition, as percent of normal | Alfalfa hay prices | | Quantity fed per cow, winter feeding period ending in May 3/ | | |
|---|---|---|---|---|---|---|---|---|---|
| | Total fed 4/ | Per cow 4/ | Per 100 pounds of milk produced 5/ | | Received by farmers per ton | Paid by farmers per ton | Hay | Silage | Total hay equivalent |
| | Thou. tons | Lb. | Lb. | Pct. | Dol. | Dol. | Tons | Tons | Tons |
| 1955 | 18,664 | 1,758 | 30.1 | 77 | 22.00 | 33.70 | 2.2 | 2.2 | 3.0 |
| 1960 | 19,821 | 2,259 | 32.2 | 82 | 21.00 | 31.60 | 2.5 | 2.7 | 3.4 |
| 1961 | 20,916 | 2,404 | 33.2 | 84 | 21.00 | 30.90 | 2.5 | 2.6 | 3.4 |
| 1962 | 21,617 | 2,533 | 34.3 | 80 | 21.40 | 30.60 | 2.5 | 2.8 | 3.4 |
| 1963 | 21,858 | 2,646 | 35.1 | 73 | 23.50 | 32.90 | 2.4 | 2.8 | 3.4 |
| 1964 | 22,464 | 2,800 | 35.9 | 73 | 24.00 | 32.60 | 2.4 | 3.1 | 3.5 |
| 1965 | 22,827 | 2,953 | 36.7 | 80 | 24.00 | 33.00 | 2.4 | 3.2 | 3.5 |
| 1966 | 22,569 | 3,000 | 37.6 | 78 | 24.70 | 33.40 | 2.3 | 3.3 | 3.4 |
| 1967 | 22,790 | 3,374 | 38.3 | 80 | 23.60 | 34.08 | 2.4 | 3.5 | 3.5 |
| 1968 | 22,886 | 3,519 | 39.1 | 83 | 23.00 | 32.94 | 2.4 | 3.6 | 3.6 |
| 1969 | 23,615 | 3,726 | 40.7 | 82 | 23.90 | 34.08 | 2.4 | 3.9 | 3.7 |
| 1970 | 24,870 | 3,979 | 42.4 | 81 | 24.70 | 34.69 | 2.4 | 3.9 | 3.7 |
| 1971 | 25,107 | 4,070 | 42.4 | 79 | 27.10 | 37.57 | 2.4 | 4.9 | 3.9 |
| 1972 | 25,162 | 4,298 | 41.9 | 80 | 31.45 | 40.15 | Series discontinued | | |
| 1973 | 25,042 | 4,389 | 43.4 | 83 | 41.55 | 51.65 | | | |
| 1974 1/ | 24,586 | 4,384 | 42.6 | 75 | 52.58 | 63.58 | | | |
| 1975 2/ | --- | --- | --- | 80 | 2/54.35 | 2/66.14 | | | |
| 1976 | | | | | | | | | |

1/ Preliminary.
2/ Eleven-month average.
3/ In herds kept by dairy reporters.
4/ Not comparable to earlier years, beginning 1966.
5/ On farms where milk or cream was sold. Beginning 1966, data are for all farms where milk was produced.

as other farm enterprises. Wage rates in manufacturing industries averaged $4.41 per hour last year, an increase of slightly more than 8 percent over 1973. These wage rates had been increasing around 7 percent per year during the past 5 years. As dairymen increase herd size, hired labor can become more important. Partly because of the difficult labor situation and the confining nature of dairy farming, more 2- and 3-man family dairy operations handling larger herds are developing in the industry.

Dairy farmers, over the years, have shown increased efficiency, which helps reduce labor requirements (figure 8). These gains, if measured in output per man-hour, show as improved labor efficiency. A major force behind the increases has been gains in production per cow, sparked in part by increased feeding rates. In addition, many relatively inefficient operations have left dairying and many of the remaining ones have adopted labor-saving technologies.

Milk output per man-hour in 1974 was about 8 percent greater than in 1973, when production per cow decreased for the first time in 30 years. The 1974 increase compares quite favorably with the fact that total farm labor productivity in 1974 was 3 percent less than in 1973, the first decline since 1950. This was because farm output, particularly crop output, declined by a greater amount than the decline in labor inputs.

In 1974, dairy farmers used around 9 minutes of direct labor daily per animal to care for milk cows, about 37 percent less than that required 10 years ago and 6 percent below the 1973 requirements. These figures are based on the average number of cows milked during the year and exclude time spent in raising feed and caring for herd replacements.

Labor productivity gains in dairy farming compare quite favorably with other agricultural enterprises. Output per man-hour in dairying more than doubled in the past decade, while the increase for all farm work was around 60 percent. During the past 10 years, only poultry came close to equaling the productivity gains shown by dairying. Lower feeding rates for most of 1975 have slowed the increases which had been occurring in output per cow and consequently milk output per man-hour in 1975 may show only a slight increase from the 1974 level.

## PRICES AND INCOMES

### Farm Milk Prices Still Rising

Strong sales and limited supplies have continued to boost farm milk prices. Farmers received an average $10.00 per 100 pounds of milk in November, up more than $2 from the June low and $1.50 from last November. The record-high farm milk prices this fall exceeded the previous peak, which occurred in March 1974, by a dollar. The June-November seasonal rise was far greater than 1974's 79 cents and the 1969-72 average seasonal rise of 75 cents per 100 pounds, but did not match 1973's $2.26 increase.

Milk prices received by farmers

| Month | All sold to plants | | | Manufacturing grade | | |
|---|---|---|---|---|---|---|
| | 1973 | 1974 | 1975 | 1973 | 1974 | 1975 |
| | *Dollars per 100 pounds* | | | | | |
| January | 6.56 | 8.89 | 8.33 | 5.52 | 8.13 | 7.00 |
| February | 6.60 | 8.92 | 8.28 | 5.52 | 8.15 | 7.04 |
| March | 6.54 | 8.96 | 8.13 | 5.57 | 8.14 | 7.01 |
| April | 6.43 | 8.84 | 8.09 | 5.59 | 7.75 | 7.04 |
| May | 6.40 | 8.25 | 7.98 | 5.60 | 6.86 | 7.05 |
| June | 6.40 | 7.69 | 7.94 | 5.61 | 6.42 | 7.08 |
| July | 6.57 | 7.61 | 8.19 | 5.72 | 6.31 | 7.25 |
| August | 7.19 | 7.74 | 8.56 | 6.29 | 6.46 | 7.60 |
| September | 7.87 | 8.07 | 9.16 | 6.93 | 6.81 | 8.22 |
| October | 8.32 | 8.34 | 9.66 | 7.45 | 7.03 | 8.72 |
| November | 8.66 | 8.48 | 10.00 | 7.76 | 7.02 | 8.94 |
| December | 8.80 | 8.25 | | 8.00 | 6.74 | |
| Average | 7.14 | 8.32 | | 6.20 | 7.13 | |

Manufacturing grade milk prices reached an average $8.94 per 100 pounds in November, up $1.86 from June and $1.92 from a year earlier. Adjusted to the annual average fat test, manufacturing milk prices in November averaged $1.05 above the new support level of $7.71. Despite the recent increase in milk production, supplies of milk available for manufacturing remained tight through November and manufacturing milk prices continued to rise.

Effective October 2, 1975, the support price of manufacturing grade milk was raised to $7.71 per 100 pounds, up from the $7.24 in effect during January-September. The new support level was 84 percent of the parity equivalent price for this marketing year (based on April 1, 1975) and 80 percent of the October 1 parity price. In order to carry out the new support price, the support purchase price was raised 10.5 cents for butter to 81.25 cents per pound in New York, 1.8 cents for nonfat dry milk to 62.4 cents per pound, and 5.75 cents for Cheddar cheese to 85 cents per pound. In making the announcement, Secretary of Agriculture Butz stated that the increase was necessary to give producers the assurance they need to insure adequate milk supplies.

Butter-powder plants paid about the same for milk of equivalent fat test as American cheese plants in October. Although American cheese plants paid somewhat more in late summer and early fall, this advantage was lost as butter supplies became tight.

Minimum Class I prices in Federal order markets will average about $10.94 per 100 pounds in January, up $2.08 from last January. These increases reflect the rises in the Minnesota-Wisconsin (M-W) price, the mover of Class I prices in Federal order markets. The M-W price has risen in every month of 1975. After sharp jumps in August-October, the rise slowed somewhat in November.

Estimated over-order payments on Class I milk are again declining after increasing moderately late this summer. Following a decrease from close to $1.00 per hundredweight at the beginning of the year to around 50 cents in the summer months, the average of such payments rose to 68 cents in September. The average over-order payment has declined again and is estimated to be around 40 cents per hundred pounds in November, less than half the level of a year ago. Relatively large increases in the M-W price in recent months (minimum Class I prices are based on the M-W price for the second preceding month) have substantially reduced the over-order payments to those cooperatives who have not increased their negotiated Class I prices since this summer. A number of other cooperatives have been increasing their announced prices but such increases have not been as great as increases in minimum order Class I prices.

#### Price Prospects for Farmers

Current levels of farm milk prices probably are not sustainable and farm prices likely will show sharper-than-normal seasonal declines in early 1976. Farm milk prices will be sensitive to increases in milk production, slowing sales of fluid milk and manufactured dairy products, changes in dairy stocks, and other factors. The speed and amount of decline in farm milk prices will be determined largely by the degree of slowing in dairy sales, especially changes in fluid sales. If fluid sales drop sharply, manufacturing milk prices could fall quickly to support level in early 1976. On the other hand, if fluid sales remain equal to year-earlier levels or show only slight declines, farm milk prices might remain above support levels during the rest of the marketing year. Declines during the first quarter of 1976 may be limited by the current support price of $7.71 and by the support price for the new marketing year after April 1. However, farm milk prices during the first half of 1976 will average well above year-earlier levels.

#### Gross Dairy Income Up Sharply

After rising above year-earlier levels in June, cash receipts from dairying have been sharply higher in recent months. Gross dairy income was up about an eighth from a year ago during August-October. Higher milk prices produced the gain as marketings were virtually the same. Cash receipts should remain well above year-earlier levels in coming months as both farm milk prices and marketings are expected to be higher.

For all of 1975, cash receipts from dairying likely will total around $9.8 billion, up from $9.4 billion in 1974 (table 3). The increase will be attributable to higher milk prices as milk marketings by farmers probably will be about the same as a year ago. Although gross dairy income likely will be much higher during the second half of 1975, cash receipts were well below a year earlier during January-June.

Although feed costs were lower than a year ago in recent months, other production costs were considerably higher. Prices paid by U.S. farmers for all production items were about 6 percent above a year earlier during August-October. Meanwhile, dairy ration prices were down about a tenth.

#### Wholesale Dairy Prices Strong

Wholesale butter and cheese prices rose again in late fall after stabilizing in October and early November. In early December, Grade A butter was selling for $1.04 per pound in Chicago, up almost 35 cents since early June and about the same amount from a year ago (figure 9). Butter supplies have remained tight as production stayed slightly below year-earlier levels, sales continued relatively strong, and stocks were drawn down to low levels. Wholesale butter prices likely will remain fairly strong until after the holiday buying season when a weakening in sales is expected.

American cheese prices have increased only slightly since late September. In early December, 40-pound blocks were quoted at $1.00 per pound at Wisconsin assembly points, up 21 cents from early May and about 25 cents from a year ago. Similarly, barrel cheese reached about 96 cents per pound in early December. The continued strong cheese prices reflected improved sales, production below or close to year-earlier levels, and rapid seasonal declines in commercial stocks of American cheese. Swiss cheese blocks at Wisconsin assembly points were quoted at almost $1.23 per pound in early December, also up sharply from last summer's levels. Wholesale cheese prices likely will weaken in early 1976 as greater supplies of milk for manufacturing become available, although possible sales strength could slow the declines.

Wholesale prices of nonfat dry milk continued to edge upward until they reached CCC's sales price for unrestricted use. However, further increases are limited by the large quantities of older, government-owned powder that is available at current prices. In early December, prices of nonfat dry milk averaged 72 cents per pound, up almost 12 cents since mid-July. Sharp declines in production and low manufacturers' stocks were important factors in maintaining the higher prices. However, user inventories likely are substantial and could help trig-

Table 3 --Milk marketings and cash receipts, United States, selected years, 1955-75 1/

| Year | Milk used on farms where produced | Milk marketed by farmers | | | | Cash receipts from milk marketed by farmers | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Sold to plants and dealers | | Retailed by farmers as milk and cream | Total | Milk sold to plants and dealers | Cream sold to plants and dealers | Retailed by farmers | Total |
| | | As whole milk | As farm separated cream | | | | | | |
| | Billion pounds | | | | | Billion dollars | | | |
| 1955 | 14.6 | 91.0 | 14.7 | 2.7 | 108.3 | 3.6 | 0.3 | 0.3 | 4.2 |
| 1960 | 9.2 | 103.9 | 7.9 | 2.1 | 114.0 | 4.4 | .2 | .2 | 4.8 |
| 1965 | 6.0 | 112.7 | 3.7 | 1.8 | 118.2 | 4.8 | .1 | .2 | 5.0 |
| 1966 | 5.5 | 109.7 | 3.0 | 1.7 | 114.4 | 5.3 | .1 | .2 | 5.5 |
| 1967 | 5.2 | 109.4 | 2.4 | 1.8 | 113.6 | 5.5 | .1 | .2 | 5.7 |
| 1968 | 4.7 | 108.8 | 2.0 | 1.8 | 112.6 | 5.7 | 2/ | .2 | 6.0 |
| 1969 | 4.3 | 108.5 | 1.6 | 1.7 | 111.8 | 6.0 | 2/ | .2 | 6.2 |
| 1970 | 4.0 | 110.0 | 1.2 | 1.7 | 113.0 | 6.3 | 2/ | .2 | 6.5 |
| 1971 | 3.7 | 112.2 | 1.0 | 1.6 | 114.8 | 6.6 | 2/ | .2 | 6.8 |
| 1972 | 3.6 | 114.0 | .8 | 1.5 | 116.3 | 6.9 | 2/ | .2 | 7.1 |
| 1973 | 3.4 | 109.8 | .7 | 1.5 | 112.0 | 7.8 | 2/ | .2 | 8.1 |
| 1974 3/ | 3.3 | 110.0 | .6 | 1.5 | 112.1 | 9.1 | 2/ | .2 | 9.4 |
| 1975 4/ | 3.3 | 110.8 | .5 | 1.5 | 112.8 | 9.6 | 2/ | .2 | 9.8 |
| 1976 | | | | | | | | | |
| 1977 | | | | | | | | | |

1/ Totals may not add due to rounding. 2/ Less than $50 million. 3/ Preliminary. 4/ Estimated.

Table 4 --Utilization of milk supply, United States, selected years, 1955-75 1/

| Year | Fluid | Creamery butter, net | Cheese | | | Evaporated and condensed whole milk | Dry whole milk | Frozen dairy products, net | Other factory products | Total factory products 2/ | Miscellaneous 3/ |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | American | Other | Creamed cottage | | | | | | |
| | Billion pounds | | | | | | | | | | |
| 1955 | 49.1 | 28.0 | 10.1 | 3.5 | 4/ | 6.3 | .8 | 8.2 | 1.2 | 58.0 | 1.2 |
| 1960 | 53.0 | 29.4 | 9.7 | 3.7 | 1.0 | 5.5 | .7 | 9.5 | .4 | 59.8 | 1.2 |
| 1965 | 55.4 | 28.5 | 11.5 | 4.3 | 1.0 | 4.6 | .7 | 10.6 | .6 | 61.8 | 1.2 |
| 1966 | 55.4 | 23.7 | 12.2 | 4.5 | 1.0 | 4.7 | .7 | 10.5 | .6 | 57.9 | 2.5 |
| 1967 | 54.0 | 26.1 | 12.7 | 4.5 | 1.0 | 4.0 | .5 | 10.5 | .3 | 59.8 | 1.2 |
| 1968 | 53.7 | 24.9 | 12.7 | 4.7 | 1.1 | 3.9 | .6 | 11.0 | .4 | 59.2 | -.2 |
| 1969 | 52.8 | 23.7 | 12.7 | 4.9 | 1.2 | 3.9 | .5 | 11.0 | .4 | 58.3 | 1.0 |
| 1970 | 52.0 | 23.9 | 14.3 | 5.3 | 1.2 | 3.3 | .5 | 11.1 | .4 | 60.0 | 1.5 |
| 1971 | 51.8 | 23.9 | 15.1 | 5.8 | 1.3 | 3.2 | .5 | 11.0 | .6 | 61.5 | 1.7 |
| 1972 | 53.2 | 22.8 | 16.3 | 6.4 | 1.3 | 3.1 | .6 | 11.0 | .8 | 62.2 | 1.1 |
| 1973 | 52.4 | 18.6 | 16.8 | 6.8 | 1.1 | 2.9 | .6 | 11.1 | .7 | 58.7 | 1.8 |
| 1974 5/ | 50.0 | 19.3 | 18.6 | 7.1 | 1.0 | 2.8 | .6 | 11.2 | .8 | 61.2 | 1.0 |
| 1975 6/ | 50.2 | 21.2 | 20.7 | 9.3 | 1.0 | 2.7 | .5 | 11.9 | .8 | 68.1 | .9 |
| 1976 | | | | | | | | | | | |
| 1977 | | | | | | | | | | | |

1/ Total supply includes milk marketed by farmers, net imports of ingredients such as frozen cream, "ice cream," and butterfat-sugar mixtures, and net changes in storage cream.
2/ May not add due to rounding.
3/ Residual, including miscellaneous minor uses and any inaccuracies of independently determined use items.
4/ Included in other factory products.
5/ Preliminary.
6/ Estimated.

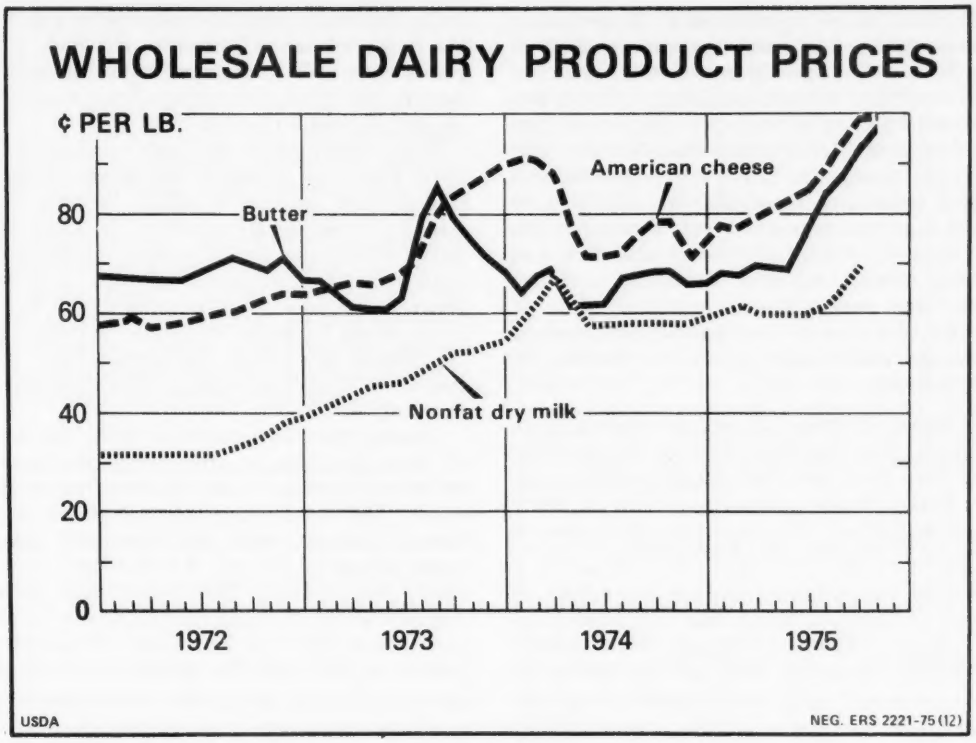


Figure 9

ger wholesale price declines as soon as production starts to recover, since actual use appears to remain at fairly low levels.

Whey powder markets have strengthened somewhat from the low levels of this summer. Edible whey powder in the Central States production area was selling for about 8 cents per pound in early December, up from about 6 cents per pound in July. Dry whey for animal feed was quoted at 7 cents per pound, up from about 5 cents in July. Lactose prices have continued to ease, reaching about 17 cents per pound (Eastern area) by early December.

Wholesale ice cream prices rose in September-November after declining during the first half of 1975. Ice cream prices likely will rise further in coming months, reflecting the higher cream prices. Evaporated milk prices have also risen in recent months with manufacturers' selling prices averaging $12.40 per case in October, up about 42 cents from June.

The wholesale dairy price index, as reported by the Bureau of Labor Statistics (BLS) stood at 168.1 in November, up almost 12 percent from June and 15 percent from a year earlier. After rising only slightly in late 1974 and early 1975, the wholesale price index spurted in late summer and fall as supplies of dairy products tightened.

**Retail Dairy Prices Jump**

Retail dairy prices started to rise rapidly this fall as wholesale price increases were beginning to be reflected to consumers. The BLS index of retail dairy prices stood at 159.4 in October, up about 4 percent from June and about 5 percent from year-earlier levels. Even though the rise has been fairly sharp in recent months, the first half of the retail rise just brought levels back to those of early 1975. Retail prices of all food items were about 8 percent above a year earlier in October and all items in the Consumer Price Index were up almost 8 percent.

**Retail dairy product prices**

| Item | Unit | Oct. 1974 | Jan. 1975 | June 1975 | Oct. 1975 |
|---|---|---|---|---|---|
| All dairy products | 1967=100 | 151.7 | 155.2 | 153.3 | 159.4 |
| Butter | c/lb. | 94.4 | 92.1 | 95.7 | 114.6 |
| Processed American cheese | c/½-lb. | 71.4 | 73.1 | 74.3 | 80.6 |
| Ice cream | c/½-gal. | 112.3 | 121.6 | 121.3 | 122.3 |
| Whole milk: At stores | c/½-gal. | 77.5 | 79.3 | 77.2 | 78.7 |
| Evaporated milk | c/can | 30.1 | 30.5 | 30.4 | 31.0 |
| Skim milk: At stores | c/qt. | 41.1 | 42.2 | 42.0 | 42.8 |

Retail butter prices approached $1.15 per pound in October, up about 19 cents since June and about 20 cents from a year ago (figure 10). Although margarine prices have stopped declining, October levels were down almost 13 cents per pound from January and almost 8 cents from last October. The average retail margarine price, as reported by BLS in October, was only about half the retail butter price. Although this represents a substantial deterioration from the relationships of late 1974 and early 1975, it was still more favorable to butter than was true during the early 1970's. This relationship has probably deteriorated further recently, although some improvement is possible in early or mid-1976.

Retail prices of cheese (American process) have risen sharply. The October price was up more than 8 percent from June and about 12 percent from last October. Retail cheese prices have risen in every month since August 1974, although the increases were fairly minor until August of this year.

Fluid milk prices have not risen as rapidly as other dairy products, although they also posted significant gains in September-October. Fluid milk at retail reached almost 79 cents per half-gallon in October, up almost 2 cents from August and a penny from a year earlier. October retail fluid prices were still below the levels of January-March 1975. The retail price of ice cream rose in October, the first increase in 6 months. However, ice cream prices were still below the March peak and the 9-percent rise from year-earlier levels was the smallest such increase thus far in 1975.

Retail dairy prices will continue to rise in early 1976. The price of butter and cheese to consumers is only now starting to reflect the full impact of rises in the wholesale markets. Wholesale prices of milk for fluid use are still rising and likely will not peak until the first quarter of 1976. Even with the sharp increases in the second half of 1975, average retail prices for all of 1975 could be less than 4 percent above 1974 levels, compared with a 19-percent rise in 1974 and an average of 4½ percent during the early 1970's.

During the third quarter of 1975, the retail cost of dairy products in the market basket of farm foods was up more than 1 percent from year-earlier levels. The farm value was up almost 6 percent from a year ago while the farm-retail spread was down almost 3 percent. As farm milk prices rose much more rapidly than retail dairy prices, the farmer's share of the consumer's dairy dollar rose to an unusually high 50 percent, compared with 47 percent a year ago. The decline in the farm-retail spread likely will be reversed in coming months as retail prices catch up with the wholesale dairy markets.

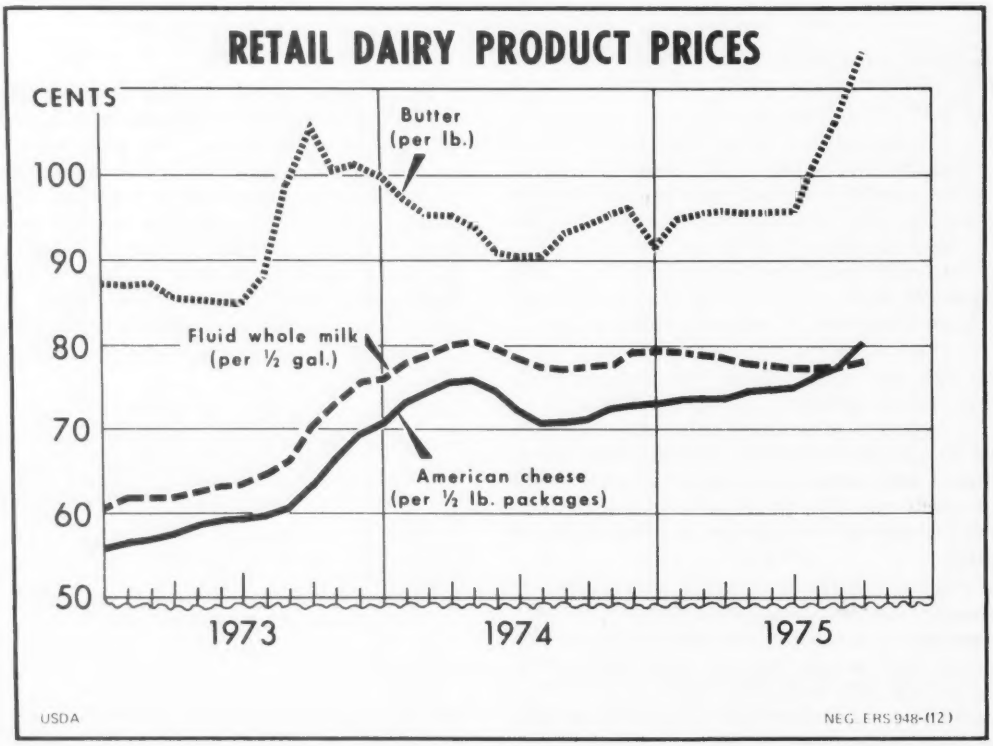


Figure 10

## UTILIZATION

### Dairy Manufacturing Recovers

Almost the same amount of milk went into manufacturing in October as a year ago after being down sharply from year-earlier levels this summer. Milk used in processed dairy products had been down about 5 percent from year-earlier levels during the third quarter of 1975. However, conditions eased somewhat in October as the increase in milk output was sufficient to provide for increased fluid sales and about the same output of manufactured products. Although butter and American cheese were still using slightly less milk than a year ago, more milk moved to other products (table 4).

**Production of manufactured dairy products**

| Item | January-October | | Change from year ago | |
|---|---|---|---|---|
| | 1974 | 1975[1] | 1974 | 1975[1] |
| | *Million pounds* | *Million pounds* | *Percent* | *Percent* |
| Butter | 804.9 | 827.8 | +2.0 | +2.8 |
| Cheese: | | | | |
| American | 1,617.1 | 1,412.0 | +14.9 | -12.7 |
| Other | 888.9 | 934.9 | +6.0 | +5.2 |
| Cottage, creamed | 727.9 | 751.0 | -11.9 | +3.2 |
| Canned milk | 896.4 | 793.7 | -4.8 | -11.5 |
| Dry whole milk | 60.2 | 51.4 | -11.1 | -14.6 |
| Ice cream (mil. gal.) | 674.7 | 728.1 | +.8 | +7.9 |
| Milk equivalent[2] | 52,290 | 51,135 | +5.2 | -2.2 |
| Nonfat dry milk | 885.1 | 908.6 | +8.7 | +2.7 |

[1] Preliminary. [2] Total all reported manufactured products.

Butter production has recovered somewhat from the sharp drops of this summer. Output of butter was down about 6 percent from a year earlier in October after being off as much as 16 percent in August. On the basis of weekly production estimates, November output was down only slightly from year-earlier levels. Because of the strong gains in butter production during the first 4 months of the year, the 1975 total may be up about 3 percent from 1974's 962 million pounds.

Production of American cheese has moved steadily closer to year-earlier levels since the very sharp drops in the first quarter. October output was down only 4 percent and indicated November production was about equal to a year ago. For all of 1975, American cheese production could be more than a tenth below 1974's 1,859 million pounds. Production of other varieties of cheese has been up this year. Led by Cream and Neufchatel, Italian, and Brick and Muenster, production of other-than-American types was up about 5 percent during the first 10 months of this year. Total cheese production in 1975 could fall about 5 percent below a year ago.

Nonfat dry milk output in October was still well below year-earlier levels. The 8 percent drop in October was somewhat less sharp than the 23 percent decline during August-September. Reportedly, tight supplies of skim milk have caused drying operations to work on a parttime basis in many areas. Production of nonfat dry milk for all of 1975 may be slightly greater than in 1974 due to very strong gains in the first quarter.

Production of ice cream showed substantial increases throughout January-October. Output for the first 10 months of 1975 was about 8 percent greater than during the same months of 1974. On the other hand, ice milk production was equal and sherbet output was below year-earlier levels. Mellorine output continued its downward trend. More creamed and lowfat cottage cheese has been produced this year, although only recently did output approach 1973 levels.

**Wisconsin out-of-state milk shipments**

| Month | 1974 | | 1975 | |
|---|---|---|---|---|
| | Loads | Volume | Loads | Volume |
| | *Number* | *Thousand pounds* | *Number* | *Thousand pounds* |
| January | 640 | 30,080 | 252 | 11,844 |
| February | 212 | 9,964 | 135 | 6,345 |
| March | 58 | 2,726 | 138 | 6,486 |
| April | 18 | 846 | 54 | 2,538 |
| May | 2 | 94 | 54 | 2,538 |
| June | 15 | 705 | 49 | 2,303 |
| July | 34 | 1,598 | 77 | 3,619 |
| August | 90 | 4,230 | 164 | 7,708 |
| September | 352 | 16,544 | 548 | 25,756 |
| October | 212 | 9,964 | 694 | 32,618 |
| November | 457 | 21,479 | 544 | 25,568 |
| December | 298 | 14,006 | | |
| Total | 2,388 | 112,236 | | |

More milk likely will be available for manufacturing in coming months if gains in milk production continue. Consumer resistance to higher fluid milk prices will tend to push more milk into manufacturing. Significantly greater supplies of milk available for manufacturing could appear in early 1976.

### Dairy Sales Strong

Much of the strength in wholesale dairy markets this fall can be attributed to the continued very strong dairy sales. After being down in the first quarter of 1975, total dairy sales were up about 3 percent during April-September (table 5). Although October sales slipped slightly below last year's strong levels, they remained well above earlier years. Sales during the first 10 months of 1975 were equivalent to 95.3 billion pounds of milk, the highest for that period since 1966. Even with some likely weakening as 1975 draws to a close, commercial disappearance of milk in all dairy products for

Table 5 --Commercial disappearance: Total milk, annual and by quarters, 1973-75 1/

| Item | 1973 | 1974 | | | | | 1975 2/ | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | By quarters | | | | | By quarters | | | | |
| | | 1st | 2nd | 3rd | 4th | Annual | 1st | 2nd | 3rd | 4th | Annual |
| | Billion pounds | | | | | | | | | | |
| Production | 115.4 | 28.0 | 31.5 | 29.0 | 26.9 | 115.4 | 28.1 | 31.4 | 28.7 | | |
| Farm use | 3.4 | .8 | .8 | .8 | .8 | 3.3 | .8 | .8 | .8 | | |
| Marketings | 112.0 | 27.2 | 30.7 | 28.1 | 26.0 | 112.1 | 27.3 | 30.6 | 27.9 | | |
| Beginning commercial stocks | 3.5 | 4.7 | 5.3 | 7.8 | 7.2 | 4.7 | 5.6 | 5.0 | 5.5 | | |
| Imports | 3.9 | 1.4 | .4 | .4 | .6 | 2.9 | .3 | .2 | .4 | | |
| Total supply | 119.4 | 33.4 | 36.4 | 36.4 | 33.9 | 119.7 | 33.2 | 35.8 | 33.8 | | |
| Ending commercial stocks | 4.7 | 5.3 | 7.8 | 7.2 | 5.6 | 5.6 | 5.0 | 5.5 | 4.7 | | |
| Net removals | 2.2 | .1 | .5 | .5 | .2 | 1.3 | 1.1 | 1.2 | -.3 | | |
| Commercial disappearance | | | | | | | | | | | |
| Actual | 112.4 | 27.9 | 28.1 | 28.6 | 28.1 | 112.8 | 27.0 | 29.1 | 29.4 | | |
| Percent change 3/ | 4/-.3 | +3.9 | -3.9 | +1.2 | +.3 | +.3 | -3.2 | +3.3 | +2.9 | | |

1/ Milk equivalent, fat solids basis. Totals may not add due to rounding. 2/ Preliminary. 3/ From year earlier using unrounded data. 4/ On a daily average basis.

**Changes in January-October dairy sales from year earlier**

| Item | Change |
|---|---|
| | *Percent* |
| Total milk[1] | +0.9 |
| Manufactured products: | |
| American cheese | -5.6 |
| Other cheese | +1.3 |
| Cottage cheese[2] | +3.0 |
| Butter | +5.6 |
| Ice cream | +7.9 |
| Ice milk | +.1 |
| Canned milk | -4.6 |
| Nonfat dry milk | -15.9 |
| Fluid products: | +2.8 |
| Whole milk | -.8 |
| Skim and lowfat milk | +11.2 |
| Cream and mixtures | +5.5 |

[1] On a milk equivalent, fat-solids basis. [2] Creamed and low-fat.

the year likely will exceed 113½ billion pounds, up almost 1 percent from a year earlier (table 6).

Commercial disappearance of butter dropped well below the very strong levels of a year earlier during September-October. However, sales of butter were still fairly strong compared with earlier years. Butter sales during January-October totaled 787 million pounds, up almost 6 percent from a year ago and the highest since 1968 (table 7). Most of the increase came during the first half of the year when consumers were wooed back to butter by the relatively favorable retail price relationships with margarine. Tight supplies and the resulting high prices may weaken sales substantially during the holiday season but the 1975 total may be up about 2 percent from the 1974 level (table 8).

American cheese sales this year have shown a generally opposite pattern compared with butter sales. Commercial disappearance of American cheese, after being down sharply in early 1975, has strengthened until August-October disappearance was up about a tenth from a year ago. Sales of American types exceeded 1973 levels only in recent months. Although the price of inexpensive meat cuts may have been a factor, the declines and subsequent recovery in consumer income probably were important. January-October sales totaled 1,444 million pounds, down almost 6 percent from year-earlier levels and up only 4 percent from 1973. For all of 1975, American cheese sales may be down almost 2 percent, the first year-to-year drop since 1967. In contrast to American types, other cheese sales have generally been above year-earlier levels this year with January-October disappearance up more than 1 percent.

Although commercial disappearance of nonfat dry milk spurted sharply during July-September as users built inventories, sales have generally been very weak this year. Fortification of fluid lowfat and skim milks with added nonfat solids has been down this year and substitute products may have made inroads in non-dairy processed foods, such as bakery products. The January-October commercial disappearance of 606 million pounds was down 16 percent from a year ago. Among other products, cottage cheese sales have shown some recovery this year, although they were still well below 1973 levels during January-October. Ice cream sales have boomed this year and were up about 8 percent during January-October. After rising sharply throughout 1974, retail ice cream prices stabilized earlier this year and decreased travel, higher prices for competing desserts, and less away-from-home entertainment may have helped boost sales. In addition, warm weather in many areas helped fall sales.

Dairy sales may experience some weakness in early 1976, due primarily to sharply higher prices. Less favorable butter-margarine price relationships could substantially weaken butter sales. Although general economic recovery may help bolster cheese sales, fluid sales likely will weaken. No substantial pickup in nonfat dry milk sales is expected but commercial disappearance may post small gains over early 1975's sharply reduced levels.

### Fluid Sales Hold Gains

Fluid milk sales continued to post sizable gains this fall. In major urban markets, fluid milk sales were 2-3 percent above a year ago in both September and October and also exceeded 1973 levels in both months. During the first 10 months of 1975, fluid sales were up about 2½ percent from year-earlier levels with lowfat and skim milks showing strong gains. These items were up about a tenth while whole milk sales were down less than 1 percent. Sales of cream items have been substantially above a year earlier, yogurt sales have jumped, but half-and-half sales continued to slip.

Although fluid sales have remained strong, sharply higher retail prices could erode this position. Rises in wholesale dairy product prices are beginning to be reflected in retail fluid prices and fluid sales might well be below year-earlier levels in early 1976.

### Milk Use Per Person Up Slightly

Per capita civilian consumption of milk in all dairy products is likely to be slightly above 1974's 543 pounds (table 9). Most of the increase is due to higher commercial sales although government donations may also be slightly higher. With the almost complete phase-out of direct distribution programs, most of the government donations went into the school feeding programs.

Strong butter sales may boost per capita consumption to around 4.8 pounds in 1975, up from 4.6 pounds in 1974. Cheese use per person could just equal last year's 14.6 pounds. Although this would be the first year in more than a decade that cheese

Table 6 .--Factors influencing and indicative of the demand for milk and dairy products, United States, selected years, 1950-75 1/

| Year | Total population July 1 (including Armed Forces overseas) | Total civilian employment | Per capita disposable income | | Civilian per capita disappearance | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | Actual | Deflated by consumer price index | Milk equivalent | | Milk solids | | Margarine |
| | | | | | Fat solids basis | Calcium content basis | Milk-fat | Solids-not fat | |
| | Million | Million | Dollars | Dollars | Pounds | Pounds | Pounds | Pounds | Pounds |
| 1950 | 151.7 | 58.9 | 1,364 | 1,892 | 740 | 507 | 29.3 | 43.6 | 6.1 |
| 1955 | 165.3 | 62.2 | 1,666 | 2,077 | 706 | 525 | 27.2 | 44.5 | 8.2 |
| 1960 | 180.7 | 65.8 | 1,937 | 2,184 | 653 | 512 | 24.5 | 43.4 | 9.4 |
| 1965 | 194.3 | 71.1 | 2,436 | 2,578 | 620 | 503 | 22.9 | 42.7 | 9.9 |
| 1966 | 196.6 | 72.9 | 2,604 | 2,679 | 604 | 503 | 22.3 | 42.4 | 10.5 |
| 1967 | 198.7 | 74.4 | 2,749 | 2,749 | 581 | 494 | 21.4 | 41.6 | 10.5 |
| 1968 | 200.7 | 75.9 | 2,945 | 2,826 | 577 | 497 | 21.2 | 41.8 | 10.8 |
| 1969 | 202.7 | 77.9 | 3,130 | 2,851 | 569 | 494 | 20.9 | 41.7 | 10.8 |
| 1970 | 204.9 | 78.6 | 3,376 | 2,903 | 561 | 486 | 20.6 | 41.1 | 11.0 |
| 1971 | 207.0 | 79.1 | 3,603 | 2,970 | 558 | 490 | 20.5 | 41.2 | 11.1 |
| 1972 | 208.8 | 81.7 | 3,816 | 3,045 | 561 | 479 | 20.6 | 41.6 | 11.3 |
| 1973 | 210.4 | 84.4 | 4,195 | 3,152 | 554 | 477 | 20.3 | 41.9 | 11.3 |
| 1974 | 211.9 | 85.9 | 4,623 | 3,130 | 543 | 462 | 19.9 | 40.2 | 11.3 |
| 1975 2/ | 213.6 | 84.8 | 5,005 | 3,109 | 547 | 464 | 20.0 | 39.8 | 11.0 |

| | Average retail prices, BLS index, 1967=100 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Consumer price | All foods | Dairy products | Fluid milk, grocery | Butter | Cheese, American process | Ice cream | Evaporated milk | Margarine, colored |
| 1950 | 72.1 | 74.5 | 72.6 | 71.9 | 83.4 | 65.0 | 102.9 | 71.9 | 100.0 |
| 1955 | 80.2 | 81.6 | 80.2 | 81.1 | 81.5 | 72.4 | 98.5 | 77.6 | 93.7 |
| 1960 | 88.7 | 88.0 | 88.4 | 91.1 | 86.7 | 76.2 | 100.7 | 89.7 | 88.6 |
| 1965 | 94.5 | 94.4 | 90.0 | 90.3 | 89.4 | 85.5 | 95.4 | 89.7 | 97.2 |
| 1966 | 97.2 | 99.1 | 95.8 | 96.1 | 97.3 | 95.8 | 97.6 | 94.2 | 99.7 |
| 1967 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1968 | 104.2 | 103.6 | 103.3 | 104.1 | 100.8 | 102.1 | 99.8 | 102.0 | 98.6 |
| 1969 | 109.8 | 108.9 | 106.7 | 107.0 | 102.1 | 107.7 | 100.5 | 105.2 | 98.3 |
| 1970 | 116.3 | 114.9 | 111.8 | 111.6 | 104.5 | 115.6 | 104.8 | 111.9 | 106.0 |
| 1971 | 121.3 | 118.4 | 115.3 | 114.6 | 105.8 | 121.0 | 106.2 | 118.6 | 116.0 |
| 1972 | 125.3 | 123.5 | 117.1 | 116.3 | 105.3 | 124.7 | 106.5 | 120.0 | 117.6 |
| 1973 | 133.1 | 141.4 | 127.9 | 127.3 | 110.7 | 138.5 | 113.1 | 134.3 | 133.4 |
| 1974 | 147.7 | 161.7 | 151.9 | 152.5 | 114.1 | 167.9 | 133.3 | 172.2 | 204.9 |
| 1975 3/ | 160.3 | 174.5 | 155.1 | 151.8 | 119.7 | 172.3 | 150.9 | 182.5 | 228.1 |

1/ Includes available data for Alaska and Hawaii beginning 1960.
2/ Preliminary.
3/ Ten-month average.

Table 7.--Commercial disappearance: Selected dairy products, United States, annual 1965-74, by quarters, 1974-75

| Year and quarter | Butter, creamery 1/ | Cheese | | Nonfat dry milk | Canned milk | Frozen products 3/ |
|---|---|---|---|---|---|---|
| | | American 2/ | Other | | | |
| | Mil. lb. | Mil. lb. | Mil. lb. | Mil. lb. | Mil. lb. | Mil. gal. |
| 1965 | 1,095.8 | 1,124.4 | 665.2 | 942.1 | 1,841.7 | 1,033.4 |
| 1966 | 1,086.0 | 1,207.8 | 706.2 | 1,156.8 | 1,776.8 | 1,038.7 |
| 1967 | 973.9 | 1,175.9 | 738.2 | 1,012.2 | 1,571.5 | 1,040.2 |
| 1968 | 976.0 | 1,213.3 | 803.0 | 1,058.0 | 1,496.8 | 1,082.3 |
| 1969 | 921.9 | 1,281.0 | 861.6 | 1,042.1 | 1,376.1 | 1,092.2 |
| 1970 | 898.2 | 1,398.0 | 909.1 | 983.2 | 1,213.8 | 1,097.3 |
| 1971 | 847.1 | 1,454.8 | 987.0 | 981.8 | 1,186.9 | 1,102.4 |
| 1972 | 885.4 | 1,595.7 | 1,127.8 | 919.2 | 1,102.6 | 1,108.6 |
| 1973 | 855.6 | 1,677.1 | 1,210.2 | 1,110.1 | 1,056.7 | 1,118.6 |
| 1974 | 929.9 | 1,780.6 | 1,269.5 | 809.9 | 999.5 | 1,124.3 |
| 1974-1st | 212.6 | 510.9 | 307.6 | 266.4 | 277.3 | 238.7 |
| 2nd | 217.3 | 447.0 | 304.5 | 222.8 | 233.5 | 312.1 |
| 3rd | 222.4 | 425.2 | 319.5 | 181.9 | 219.9 | 340.6 |
| 4th | 277.6 | 397.5 | 338.0 | 138.8 | 268.8 | 232.8 |
| 1975-1st | 250.7 | 401.3 | 302.8 | 142.6 | 237.4 | 257.2 |
| 2nd | 238.5 | 441.6 | 313.9 | 145.6 | 216.0 | 333.4 |
| 3rd | 219.0 | 447.4 | 329.3 | 248.1 | 234.4 | 348.9 |
| 4th | | | | | | |
| | 1974-75 percent change | | | | | |
| | Pct. | Pct. | Pct. | Pct. | Pct. | Pct. |
| 1st | +18.0 | -21.5 | -1.6 | -46.5 | -14.4 | +7.8 |
| 2nd | +9.8 | -1.2 | +3.1 | -34.6 | -7.5 | +6.8 |
| 3rd | -1.5 | +5.2 | +3.1 | +36.4 | +6.6 | +2.4 |
| 4th | | | | | | |

1/ Imports include butter equivalent of butteroil. 2/ Imports include Colby cheese; stocks do not include processed cheese. 3/ Excludes Mellorine.

Table 8.--Milk and dairy products sales (domestic disappearance, commercial sources) total and per capita, selected years, United States, 1965-75 1/

| Year | Fluid milk product sales | | | | | Butter | Cheese | | | Evaporated and condensed | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Fluid whole milk | Cream 2/ | Low-fat milk 3/ | Total | | | Whole and part skim milk 5/ | | Cottage cheese 6/ | Whole milk | Skimmed and buttermilk |
| | | | | Product weight | Whole milk equivalent 4/ | | American | Other | | | |
| | Million pounds | | | | | | | | | | |
| | Total | | | | | | | | | | |
| 1965 | 49,750 | 1,430 | 6,390 | 57,570 | 55,400 | 1,122 | 1,106 | 653 | 901 | 2,092 | 967 |
| 1968 | 47,785 | 1,255 | 9,400 | 58,440 | 53,700 | 986 | 1,204 | 794 | 928 | 1,735 | 948 |
| 1969 | 46,850 | 1,185 | 10,640 | 58,675 | 52,800 | 925 | 1,259 | 849 | 973 | 1,528 | 989 |
| 1970 | 45,875 | 1,130 | 11,525 | 58,530 | 52,000 | 902 | 1,393 | 892 | 1,060 | 1,349 | 1,016 |
| 1971 | 45,295 | 1,125 | 12,800 | 59,220 | 51,800 | 878 | 1,452 | 971 | 1,108 | 1,303 | 1,039 |
| 1972 | 45,390 | 1,150 | 14,180 | 60,720 | 53,220 | 861 | 1,573 | 1,110 | 1,133 | 1,236 | 980 |
| 1973 | 44,130 | 1,160 | 15,390 | 60,680 | 52,400 | 846 | 1,661 | 1,193 | 1,103 | 1,195 | 894 |
| 1974 | 41,710 | 1,185 | 16,425 | 59,320 | 50,000 | 917 | 1,771 | 1,260 | 990 | 1,151 | 730 |
| 1975 7/ | 41,300 | 1,300 | 18,000 | 60,600 | 50,200 | 963 | 1,727 | 1,290 | 1,072 | 1,034 | 650 |
| | Per capita 8/ | | | | | | | | | | |
| | Pounds | | | | | | | | | | |
| 1965 | 264 | 7.6 | 34.0 | 306 | 294 | 5.8 | 5.7 | 3.4 | 4.7 | 10.8 | 5.0 |
| 1968 | 245 | 6.4 | 48.1 | 299 | 275 | 4.9 | 6.0 | 4.0 | 4.7 | 8.7 | 4.8 |
| 1969 | 237 | 6.0 | 53.9 | 297 | 267 | 4.6 | 6.3 | 4.2 | 4.8 | 7.6 | 4.9 |
| 1970 | 229 | 5.6 | 57.5 | 292 | 260 | 4.4 | 6.8 | 4.4 | 5.2 | 6.6 | 5.0 |
| 1971 | 223 | 5.5 | 63.0 | 292 | 255 | 4.3 | 7.0 | 4.7 | 5.4 | 6.3 | 5.0 |
| 1972 | 221 | 5.6 | 69.1 | 296 | 259 | 4.1 | 7.6 | 5.3 | 5.4 | 5.9 | 4.7 |
| 1973 | 213 | 5.6 | 74.3 | 293 | 253 | 4.0 | 7.9 | 5.7 | 5.3 | 5.7 | 4.3 |
| 1974 | 200 | 5.7 | 78.6 | 284 | 239 | 4.3 | 8.4 | 6.0 | 4.7 | 5.4 | 3.5 |
| 1975 7/ | 196 | 6.2 | 78.0 | 288 | 238 | 4.5 | 8.1 | 6.1 | 5.0 | 4.9 | 3.1 |

| Year | Frozen products | | | | | Dry products | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Ice cream | Ice milk | Sherbet | Other | Mellorine | Whole milk | Nonfat dry milk | Buttermilk | Whey | Malted milk |
| | Million pounds | | | | | | | | | |
| | Total | | | | | | | | | |
| 1965 | 3,634 | 1,270 | 295 | 39 | 255 | 61 | 931 | 79 | 113 | 20 |
| 1968 | 3,711 | 1,429 | 320 | 42 | 268 | 50 | 1,030 | 67 | 223 | 18 |
| 1969 | 3,674 | 1,515 | 333 | 36 | 267 | 44 | 1,040 | 61 | 231 | 18 |
| 1970 | 3,656 | 1,577 | 318 | 40 | 249 | 43 | 960 | 50 | 294 | 18 |
| 1971 | 3,676 | 1,582 | 317 | 47 | 232 | 32 | 958 | 55 | 319 | 19 |
| 1972 | 3,685 | 1,599 | 325 | 53 | 218 | 24 | 853 | 48 | 377 | N.A. |
| 1973 | 3,714 | 1,604 | 346 | 70 | 191 | 21 | 1,056 | 39 | 384 | N.A. |
| 1974 | 3,753 | 1,608 | 325 | 56 | 169 | 15 | 839 | 44 | 453 | N.A. |
| 1975 7/ | 4,010 | 1,610 | 312 | 55 | 147 | 16 | 682 | 46 | 463 | N.A. |
| | Per capita 8/ | | | | | | | | | |
| | Pounds | | | | | | | | | |
| 1965 | 18.8 | 6.6 | 1.5 | 0.2 | 1.3 | 0.3 | 4.8 | 0.4 | 0.6 | 0.1 |
| 1968 | 18.6 | 7.2 | 1.6 | .2 | 1.3 | .3 | 5.2 | .3 | 1.1 | .1 |
| 1969 | 18.2 | 7.5 | 1.7 | .2 | 1.3 | .2 | 5.2 | .3 | 1.2 | .1 |
| 1970 | 17.9 | 7.7 | 1.6 | .2 | 1.2 | .2 | 4.7 | .2 | 1.5 | .1 |
| 1971 | 17.8 | 7.7 | 1.5 | .2 | 1.1 | .2 | 4.6 | .3 | 1.6 | .1 |
| 1972 | 17.7 | 7.7 | 1.6 | .3 | 1.0 | .1 | 4.1 | .2 | 1.8 | N.A. |
| 1973 | 17.7 | 7.6 | 1.6 | .3 | .9 | .1 | 5.0 | .2 | 1.8 | N.A. |
| 1974 | 17.8 | 7.6 | 1.5 | .3 | .8 | .1 | 4.0 | .2 | 2.2 | N.A. |
| 1975 7/ | 18.8 | 7.6 | 1.5 | .3 | .7 | .1 | 3.2 | .2 | 2.2 | N.A. |

1/ Excludes milk used on farms where produced and distribution from USDA supplies; includes sales to the Armed Services for use in the United States. See DS-328, November 1969, table 12 for 1950-67 data. 2/ Includes milk and cream mixtures. 3/ Includes skim milk, buttermilk, and flavored milk drinks. 4/ Fat solids basis. 5/ Excludes cottage cheese. 6/ Includes full-skim American. 7/ Preliminary. 8/ Based on resident population, except fluid milk product sales--based on estimated population using fluid products from purchased sources.

Table 9.--Milk equivalent: Domestic civilian disappearance, commercial and noncommercial sources, total and per capita, United States, 1955, 1960, and 1965-75

| Year | Civilian disappearance | | | | | Total military utilization 2/ | Consumption excluding donations from USDA supplies | | |
|---|---|---|---|---|---|---|---|---|---|
| | Consumed on farms 1/ | USDA donations to civilian channels | National School Lunch and Special Milk Programs | Commercial sources | All sources | | Civilian | Military | Total |
| | Million pounds | | | | | | | | |
| 1955 | 11,359 | 3,102 | 1,394 | 98,697 | 114,552 | 3,329 | 111,450 | 2,627 | 114,077 |
| 1960 | 6,610 | 2,040 | 2,455 | 105,259 | 116,364 | 2,532 | 114,324 | 2,228 | 116,552 |
| 1965 | 3,913 | 3,593 | 3,215 | 107,978 | 118,699 | 2,819 | 115,106 | 2,387 | 117,493 |
| 1966 | 3,492 | 1,129 | 3,311 | 108,804 | 116,736 | 2,376 | 115,607 | 2,376 | 117,983 |
| 1967 | 3,152 | 3,113 | 3,338 | 103,812 | 113,415 | 2,117 | 110,302 | 2,117 | 112,419 |
| 1968 | 2,841 | 4,114 | 3,376 | 103,332 | 113,663 | 3,295 | 109,549 | 2,186 | 111,735 |
| 1969 | 2,570 | 4,545 | 3,435 | 102,682 | 113,232 | 2,696 | 108,687 | 2,051 | 110,738 |
| 1970 | 2,306 | 4,187 | 3,462 | 103,218 | 113,173 | 2,419 | 108,986 | 1,788 | 110,774 |
| 1971 | 2,099 | 4,526 | 3,494 | 103,757 | 113,876 | 2,031 | 109,350 | 1,608 | 110,958 |
| 1972 | 1,940 | 3,906 | 3,500 | 106,399 | 115,745 | 1,671 | 111,839 | 1,258 | 113,097 |
| 1973 | 1,780 | 3,521 | 3,500 | 106,590 | 115,391 | 1,257 | 111,870 | 1,257 | 113,127 |
| 1974 | 1,753 | 1,476 | 3,500 | 107,041 | 113,770 | 1,137 | 112,294 | 1,137 | 113,431 |
| 1975 3/ | 1,700 | 1,984 | 3,500 | 108,497 | 115,681 | 1,075 | 113,697 | 1,075 | 114,772 |
| 1976 | | | | | | | | | |
| 1977 | | | | | | | | | |

| | Per capita civilian disappearance 4/ | | | | | Civilian consumption excluding donations from USDA supplies |
|---|---|---|---|---|---|---|
| | Consumed on farms 1/ | USDA donations to civilian channels | National School Lunch and Special Milk Programs | Commercial sources | All sources | |
| | Pounds | | | | | |
| 1955 | 70 | 19 | 9 | 608 | 706 | 687 |
| 1960 | 37 | 11 | 14 | 591 | 653 | 642 |
| 1965 | 20 | 19 | 17 | 564 | 620 | 601 |
| 1966 | 18 | 6 | 17 | 563 | 604 | 598 |
| 1967 | 16 | 16 | 17 | 532 | 581 | 565 |
| 1968 | 14 | 21 | 17 | 525 | 577 | 556 |
| 1969 | 13 | 23 | 17 | 516 | 569 | 546 |
| 1970 | 11 | 21 | 17 | 512 | 561 | 541 |
| 1971 | 10 | 22 | 17 | 508 | 558 | 536 |
| 1972 | 9 | 19 | 17 | 515 | 561 | 542 |
| 1973 | 9 | 17 | 17 | 512 | 554 | 537 |
| 1974 | 8 | 7 | 17 | 510 | 543 | 536 |
| 1975 3/ | 8 | 9 | 17 | 513 | 547 | 538 |
| 1976 | | | | | | |
| 1977 | | | | | | |

1/ Includes a small amount of farm-churned butter sold.
2/ Includes any quantities used by military in civilian feeding programs abroad.
3/ Preliminary.
4/ Aggregate in each category divided by total civilian population.

consumption did not increase, it follows on the heels of a very strong jump last year. Among other products, per capita use of lowfat milks and ice cream increased while fluid whole milk, canned milk, and nonfat dry milk consumption declined.

Per capita consumption of milk in 1976 is likely to be below this year's level. Even if milk production expands, total supplies available for consumption likely will be no greater than this year, due primarily to lower beginning stocks. Some weakness in commercial use is likely in early 1976 and some rebuilding of stock levels may well occur. In addition, farm household use likely will decline further.

### Dairy Stocks Low

Strong sales and continued declines in manufactured product output have pulled commercial dairy stocks down to low levels. On November 1, dairy stocks in commercial hands were equivalent to only 4.1 billion pounds of milk, the lowest on that date since 1970 and the second lowest in two decades. Commercial holdings dropped at a rapid seasonal pace from the earlier-than-normal July 1 peak of 5.5 billion pounds milk equivalent and the November 1 level was down more than a third from a year earlier. The low seasonal level of commercial stocks will help cushion the impact of increased milk production on dairy prices in early 1976.

Dairy product stocks

| Item | Nov. 1 1970-73 av. | Nov. 1 1974 | Nov. 1 1975 |
|---|---|---|---|
| | *Million pounds* | *Million pounds* | *Million pounds* |
| Butter | | | |
| Commercial .... | 24.6 | 60.8 | 13.3 |
| Total ..... | 139.7 | 83.1 | 25.5 |
| American cheese | | | |
| Commercial .... | 283.8 | 439.5 | 323.8 |
| Total ..... | 285.7 | 440.7 | 333.6 |
| Other cheese | | | |
| Commercial .... | 69.4 | 71.4 | 62.3 |
| Nonfat dry milk | | | |
| Manufacturers' .. | 86.2 | 144.1 | 36.2 |
| Total ..... | 115.9 | 250.1 | 485.9 |
| Milk equivalent[1] | | | |
| Commercial .... | 4,148 | 6,418 | 4,080 |
| Total ..... | 6,568 | 6,891 | 4,429 |

[1] Total all dairy products.

Commercial butter stocks totaled only about 13 million pounds on November 1, the lowest level for that date on record and only slightly above the record-low level of January 1, 1973. The tight stocks position going into the holiday season was largely responsible for the most recent increases in wholesale butter prices.

Commercial holdings of American cheese have also been drawn down rapidly, although they remained above the levels of the early 1970's. On November 1, commercial stocks of American cheese totaled 324 million pounds, down about 84 million pounds from the August 1 seasonal peak and almost 116 million pounds from a year ago. Continued production declines and strengthening sales combined to cause this unprecedented seasonal drop. However, American cheese stocks remained quite adequate, especially in light of likely gains in output during early 1976. Stocks of other varieties stood at 62 million pounds, the lowest November 1 figure since 1969.

Manufacturers' stocks of nonfat dry milk stood at 36 million pounds on November 1, only a fourth of last year's level and the lowest for that date since 1950. Although manufacturers' holdings are quite low, large quantities of CCC-owned nonfat dry milk are available for purchase at current market prices.

Commercial dairy stocks likely will decline more slowly in the next few months. Butter holdings may be approaching pipeline levels. American cheese stocks likely will continue to decline however. If production of manufactured dairy products starts to show increases from year-earlier levels as expected, commercial dairy stocks may start to rebuild in early 1976.

Government stocks, at 0.3 billion pounds milk equivalent on November 1, were fairly insignificant except for nonfat dry milk. This level was the lowest since 1966 and far below the levels of the early 1970's. All of the 12 million pounds of butter and most of the 10 million pounds of American cheese have been committed to specific programs and will be moving out of government hands in the near future. On the other hand, USDA still held 450 million pounds of nonfat dry milk on November 1, the highest on that date since 1962.

### USDA Purchases Up This Year

USDA net removals totaled 2.0 billion pounds milk equivalent during January-November, up from 1.2 billion pounds last year but well below the levels of the early 1970's. Virtually all butter and cheese purchases were made during the first half of 1975. After sales back to the industry of almost 21 million pounds of butter during August-September, CCC net removals of butter stood at about 63 million pounds during January-November, compared with 33 million pounds during the same months of 1974. Net purchases of American cheese totaled about 68 million pounds during the first 11 months of 1975, up from 47 million pounds a year earlier.

USDA purchases under the price support program were heaviest this year for nonfat dry milk. Although almost 14 million pounds was sold back to the industry, CCC net removals totaled 395 mil-

Table 10.--Net government expenditures on dairy support and related programs, fiscal years, 1950-75

| Year beginning July 1 | Net support purchases 1/ | Military milk 2/ | Section 32 3/ | Sections 709 and 4(a) 4/ | Export assistance 5/ | Total (excluding special milk) | Special milk program 6/ |
|---|---|---|---|---|---|---|---|
| | Million dollars | | | | | | |
| 1949-50 | 170.5 | --- | 17.6 | --- | --- | 188.1 | --- |
| 1950-51 | 7/-49.1 | --- | 8/-.9 | --- | --- | 7/-50.0 | --- |
| 1951-52 | 1.6 | --- | 7.5 | --- | --- | 9.1 | --- |
| 1952-53 | 274.9 | --- | 25.1 | --- | --- | 300.0 | --- |
| 1953-54 | 400.4 | --- | 74.0 | --- | --- | 474.4 | --- |
| 1954-55 | 228.7 | 4.3 | 24.4 | --- | --- | 257.4 | 22.2 |
| 1955-56 | 237.9 | 7.3 | 39.0 | --- | --- | 284.2 | 48.2 |
| 1956-57 | 239.1 | 16.4 | 75.6 | --- | --- | 331.1 | 61.0 |
| 1957-58 | 205.9 | 30.4 | 123.7 | --- | --- | 360.0 | 66.7 |
| 1958-59 | 102.1 | 23.0 | 106.2 | --- | --- | 231.3 | 74.7 |
| 1959-60 | 159.5 | 23.6 | 35.1 | --- | --- | 218.2 | 81.2 |
| 1960-61 | 173.9 | 25.3 | 82.1 | --- | --- | 281.3 | 87.0 |
| 1961-62 | 539.0 | 25.9 | 47.1 | --- | --- | 612.0 | 91.7 |
| 1962-63 | 454.0 | 24.8 | --- | --- | 6.7 | 485.5 | 93.7 |
| 1963-64 | 311.7 | 26.5 | 4.4 | --- | 36.5 | 379.1 | 97.1 |
| 1964-65 | 157.2 | 26.2 | 105.6 | --- | 44.7 | 333.7 | 86.5 |
| 1965-66 | 26.1 | --- | 38.7 | --- | 3.8 | 68.6 | 97.0 |
| 1966-67 | 283.9 | --- | .9 | 14.2 | 18.4 | 317.4 | 96.1 |
| 1967-68 | 357.1 | --- | --- | --- | 7.1 | 364.2 | 103.1 |
| 1968-69 | 268.8 | --- | 45.4 | --- | 13.1 | 327.3 | 101.9 |
| 1969-70 | 168.6 | --- | 107.1 | 7.8 | 7.4 | 290.9 | 102.9 |
| 1970-71 | 315.4 | --- | 91.6 | 3.2 | 11.6 | 421.8 | 91.8 |
| 1971-72 | 267.0 | --- | 63.9 | --- | 7.3 | 338.2 | 93.6 |
| 1972-73 | 135.8 | --- | 15.4 | .1 | 1.5 | 152.8 | 90.8 |
| 1973-74 | 31.4 | --- | 10.8 | 28.7 | --- | 70.9 | 50.2 |
| 1974-75 | 485.8 | --- | 6.5 | 3.8 | --- | 496.1 | 122.9 |
| 1975-76 | | | | | | | |
| 1976-77 | | | | | | | |
| 1977-78 | | | | | | | |
| 1978-79 | | | | | | | |

1/ CCC support purchases and related costs (for processing, packaging, transporting and storing) of dairy products, less proceeds from sales to commercial buyers for domestic use and for export, U.S. military agencies, foreign government and private welfare agencies, and Section 32 programs.

2/ CCC reimbursements to U.S. military agencies, Veterans' Administration and other participants.

3/ Expenditures of Section 32 funds to buy dairy products in the market and from CCC for school lunch and welfare uses.

4/ Purchases of dairy products at market prices under Section 709 of the Food and Agriculture Act of 1965 and under Section 4(a) of the Agriculture and Consumer Protection Act of 1973, for domestic school lunch and welfare uses.

5/ Value of Payment-in-kind certificates issued by CCC on exports of nonfat dry milk, butter and other high-milkfat products, and CCC cost of exports under Title I, P.L. 480 of dairy products not originating in CCC stocks.

6/ Expenditures under the program to increase milk consumption by children in schools, child-care centers, and similar institutions.

7/ Net receipt due to sales exceeding purchases.

8/ Receipt due to adjustment.

SOURCE: Agricultural Stabilization and Conservation Service, USDA.

Table 11.--USDA expenditures for dairy products, fiscal year ending June 30, 1975

| Item | Value | | | | | Quantity | | |
|---|---|---|---|---|---|---|---|---|
| | Butter and butter products | Cheese | Nonfat dry milk | Condensed and evaporated milk | Total | Butter and butter products | Cheese | Nonfat dry milk |
| | Million dollars | | | | | Million pounds | | |
| CCC outlays | | | | | | | | |
| Purchases: | | | | | | | | |
| Price support | 64.5 | 90.7 | 320.6 | | 475.8 | 94.6 | 117.0 | 543.5 |
| Section 4(a) | --- | 1.3 | 2.5 | | 3.8 | --- | 1.8 | 3.6 |
| Total purchases | 64.5 | 92.0 | 323.1 | | 479.6 | 94.6 | 118.8 | 547.1 |
| Carrying charges: | | | | | | | | |
| Storage, handling | .5 | 1/ | 2.4 | | 2.9 | | | |
| Transportation | 1.2 | 2.3 | 5.0 | | 8.5 | | | |
| Processing, packaging | 1.3 | --- | --- | | 1.3 | | | |
| Total carrying charges | 3.0 | 2.3 | 7.4 | | 12.7 | | | |
| Total outlays | 67.5 | 94.3 | 330.5 | | 492.3 | | | |
| Sales proceeds | | | | | | | | |
| Dollar sales | 1.7 | --- | 1/ | | 1.7 | 2.6 | --- | .1 |
| P.L. 480, Title II | --- | --- | 60.3 | | 60.3 | --- | --- | 97.7 |
| Other receipts | 1/ | .1 | .7 | | .8 | .1 | .2 | 2.2 |
| Total | 1.7 | .1 | 61.0 | | 62.8 | 2.7 | .2 | 100.0 |
| Expenditures | | | | | | | | |
| CCC net expenditures | 65.8 | 94.2 | 269.5 | | 429.5 | | | |
| Section 32 | --- | --- | --- | 2/6.5 | 6.5 | | | |
| P.L. 480, Title II | --- | --- | 60.1 | --- | 60.1 | | | |
| USDA net expenditures | 65.8 | 94.2 | 329.6 | 6.5 | 496.1 | | | |

1/ Less than $50,000.
2/ Includes $0.3 million for dry whole milk.

Source: Agricultural Stabilization and Conservation Service, USDA.

**USDA dairy purchases[1]**

| Item | January-November | | |
|---|---|---|---|
| | 1974 | 1975 | Change |
| | *Million pounds* | *Million pounds* | *Percent* |
| Butter | 32.8 | 63.4 | +93.3 |
| American cheese | 46.6 | 68.2 | +46.4 |
| Nonfat dry milk | 230.6 | 349.9 | +71.2 |
| Evaporated milk | 26.5 | 22.6 | +14.7 |
| Milk equivalent | 1,207 | 2,032 | +68.4 |

[1] Deliveries minus unrestricted sales.

**Uncommitted CCC stocks**

| Item | November 30 | |
|---|---|---|
| | 1974 | 1975 |
| | *Million pounds* | *Million pounds* |
| Butter (bulk) | 10.3 | ([1]) |
| Cheddar cheese | 12.8 | 1.1 |
| Nonfat dry milk | 154.1 | 431.1 |

[1] Less than 50,000 pounds.

lion pounds during January-November, up from 231 million pounds a year ago. These purchases were the heaviest since 1971, although well under the levels of some earlier years.

Little change in CCC net removals is expected yet this year. Small amounts of nonfat dry milk may be sold to ease local tightness in commercial markets. It is possible that some USDA purchases of dairy products will be made in early 1976 if fluid sales drop and wholesale product prices fall to support purchase levels.

CCC uncommitted inventories of butter and cheese were negligible on December 1 but nonfat dry milk holdings still totaled about 431 million pounds. These inventory levels likely will drop only slightly in coming months as domestic donation programs are very limited.

### Cheese Sales Rise in 1974[1]

Consumers bought more than 3.0 billion pounds of cheese in 1974, up 6 percent from 1973. This was about the same year-to-year growth as occurred during 1973 and many recent years. American cheese sales jumped sharply in early 1974 and then slackened somewhat later in the year. For all of 1974, American cheese sales were up almost 7 percent, despite sharply higher prices. Other-than-

[1]This updates the special article by Robert R. Miller: "The Changing U.S. Cheese Industry", *Dairy Situation*, DS-336, July 1971.

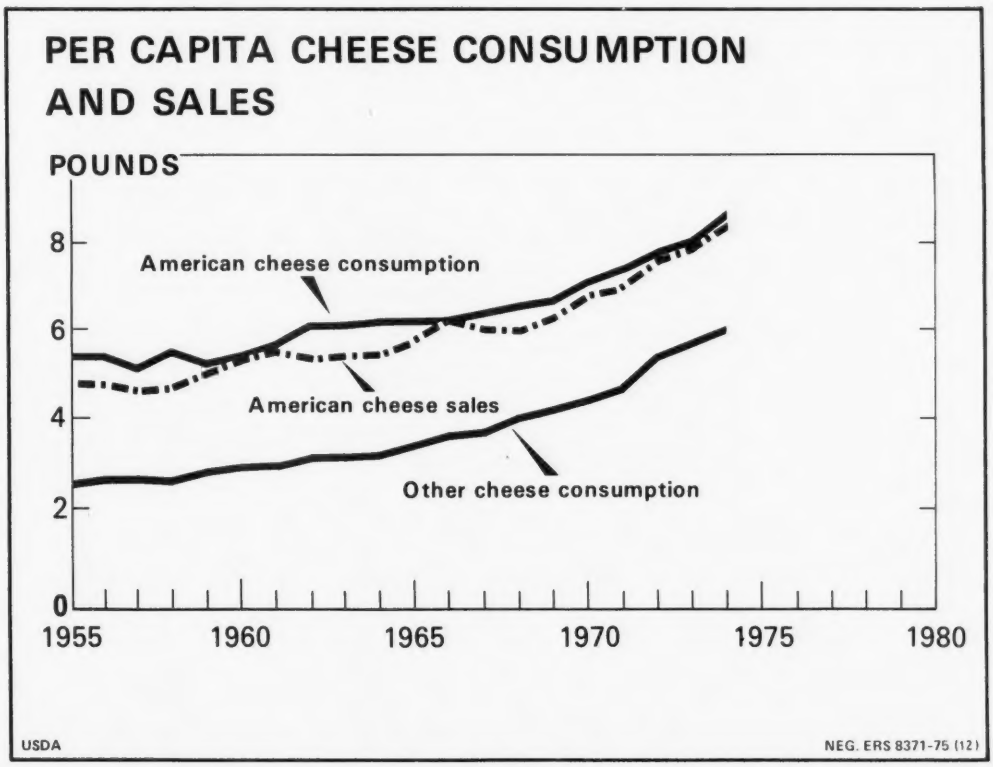


Figure 11

Table 12--Commercial disappearance and civilian consumption of American and other cheese, United States, selected years, 1950-74

| Year | Commercial disappearance | | | USDA donations | | | Civilian consumption | Per capita | |
|---|---|---|---|---|---|---|---|---|---|
| | Civilian | Military | Total | Civilian | Military | Total | | Commercial disappearance | Civilian consumption |
| | Million pounds | | | | | | | Pounds | |
| **American cheese** | | | | | | | | | |
| 1950 | 798 | 11 | 809 | 25 | --- | 25 | 823 | 5.4 | 5.5 |
| 1955 | 782 | 13 | 795 | 88 | 2 | 90 | 870 | 4.8 | 5.4 |
| 1960 | 938 | 7 | 945 | 27 | 1 | 28 | 965 | 5.3 | 5.4 |
| 1961 | 1,004 | 4 | 1,008 | 23 | 2 | 25 | 1,027 | 5.5 | 5.7 |
| 1962 | 969 | 7 | 976 | 144 | 2 | 146 | 1,113 | 5.3 | 6.1 |
| 1963 | 1,012 | 7 | 1,019 | 130 | 3 | 133 | 1,142 | 5.4 | 6.1 |
| 1964 | 1,035 | 7 | 1,042 | 133 | 4 | 137 | 1,168 | 5.4 | 6.2 |
| 1965 | 1,098 | 8 | 1,106 | 80 | 3 | 83 | 1,178 | 5.7 | 6.2 |
| 1966 | 1,195 | 11 | 1,206 | 5 | --- | 5 | 1,200 | 6.2 | 6.2 |
| 1967 | 1,168 | 14 | 1,182 | 81 | --- | 81 | 1,249 | 6.0 | 6.4 |
| 1968 | 1,191 | 13 | 1,204 | 105 | 4 | 109 | 1,296 | 6.0 | 6.6 |
| 1969 | 1,249 | 10 | 1,259 | 90 | 1 | 91 | 1,339 | 6.3 | 6.7 |
| 1970 | 1,385 | 8 | 1,393 | 46 | --- | 46 | 1,431 | 6.8 | 7.1 |
| 1971 | 1,445 | 7 | 1,452 | 75 | --- | 75 | 1,520 | 7.0 | 7.4 |
| 1972 | 1,568 | 5 | 1,573 | 46 | --- | 46 | 1,614 | 7.6 | 7.8 |
| 1973 | 1,657 | 4 | 1,661 | 4 | --- | 4 | 1,661 | 7.9 | 8.0 |
| 1974 | 1,768 | 3 | 1,771 | 43 | --- | 43 | 1,811 | 8.4 | 8.6 |
| **Other cheese** | | | | | | | | | |
| 1950 | 332 | 1 | 333 | --- | --- | --- | 332 | 2.2 | 2.2 |
| 1955 | 411 | 1 | 412 | --- | --- | --- | 411 | 2.5 | 2.5 |
| 1960 | 524 | 1 | 525 | --- | --- | --- | 524 | 2.9 | 2.9 |
| 1961 | 517 | 6 | 523 | --- | --- | --- | 517 | 2.9 | 2.9 |
| 1962 | 563 | 5 | 568 | --- | --- | --- | 563 | 3.1 | 3.1 |
| 1963 | 577 | 3 | 580 | --- | --- | --- | 577 | 3.1 | 3.1 |
| 1964 | 614 | 6 | 620 | --- | --- | --- | 614 | 3.2 | 3.2 |
| 1965 | 648 | 5 | 653 | --- | --- | --- | 648 | 3.4 | 3.4 |
| 1966 | 689 | 7 | 696 | --- | --- | --- | 689 | 3.6 | 3.6 |
| 1967 | 720 | 8 | 728 | --- | --- | --- | 720 | 3.7 | 3.7 |
| 1968 | 787 | 7 | 794 | --- | --- | --- | 787 | 4.0 | 4.0 |
| 1969 | 843 | 6 | 849 | --- | --- | --- | 843 | 4.2 | 4.2 |
| 1970 | 886 | 6 | 892 | --- | --- | --- | 886 | 4.4 | 4.4 |
| 1971 | 966 | 5 | 971 | --- | --- | --- | 966 | 4.7 | 4.7 |
| 1972 | 1,105 | 5 | 1,110 | --- | --- | --- | 1,105 | 5.3 | 5.4 |
| 1973 | 1,188 | 5 | 1,193 | --- | --- | --- | 1,188 | 5.7 | 5.7 |
| 1974 | 1,253 | 7 | 1,260 | --- | --- | --- | 1,253 | 6.0 | 6.0 |

American use rose almost 6 percent in 1974, led by Swiss and Italian types (table 12).

Americans consumed an average 14.6 pounds of cheese in 1974, up almost a pound from 1973. Cheese has been one of the bright spots in the dairy consumption picture for some time. In the past 20 years, cheese consumption has increased almost 85 percent (figure 11).

Some of the reasons for the growth in cheese consumption include:

(1) Rising incomes have stimulated purchases. Research indicates a 10 percent rise in consumer incomes is associated with a 2 to 5 percent increase in cheese purchases.
(2) Increased interest and knowledge of nutrition have made consumers more aware of cheese as a good source of protein and other important nutrients.
(3) Demand for pizza, cheeseburgers, and snack items using processed cheese continues upward.
(4) Consumers have shifted to more exotic foods using foreign-type cheeses.
(5) In recent years, retailers have emphasized cheese display and cheese has been increasingly promoted. The wide variety of cheese packages and types now available is adapted to almost any consumer taste.

**Estimated per capita civilian consumption of Cheddar and other American cheese, United States, 1950-74**

| Year | Cheddar | Other American[1] | Total American types |
|---|---|---|---|
| | *Pounds* | *Pounds* | *Pounds* |
| 1950 | 5.2 | 0.3 | 5.5 |
| 1955 | 4.9 | .5 | 5.4 |
| 1960 | 4.8 | .6 | 5.4 |
| 1961 | 4.9 | .8 | 5.7 |
| 1962 | 5.3 | .8 | 6.1 |
| 1963 | 5.2 | .9 | 6.1 |
| 1964 | 5.3 | .9 | 6.2 |
| 1965 | 5.3 | .9 | 6.2 |
| 1966 | 5.0 | 1.2 | 6.2 |
| 1967 | 5.2 | 1.2 | 6.4 |
| 1968 | 5.4 | 1.2 | 6.6 |
| 1969 | 5.7 | 1.1 | 6.7 |
| 1970 | 5.9 | 1.2 | 7.1 |
| 1971 | 6.0 | 1.4 | 7.4 |
| 1972 | 6.1 | 1.7 | 7.8 |
| 1973 | 6.2 | 1.8 | 8.0 |
| 1974 | 6.4 | 2.2 | 8.6 |

[1] Colby, washed or stirred curd, high and low moisture jack, Monterey and granular.

American cheese consumption rose to 8.6 pounds per person in 1974, up from 8.0 pounds in 1973. About 6.4 pounds of this total was Cheddar cheese with the remaining 2.2 pounds being other American varieties such as Colby, Monterey, and some other types that go primarily into processed cheese. Both Cheddar and other American types showed higher per capita usage last year.

Italian cheese consumption per person rose to about 3.0 pounds last year, up almost 6 percent from 1973 (table 13). The leading gainer once again was Mozzarella, the predominant pizza cheese (table 14). Mozzarella was second only to Cheddar in popularity.

After holding steady in 1973, Swiss, the third leading variety, spurted in 1974 and reached about 1.2 pounds per person. Cream and Neufchatel posted a substantial gain but other varieties were about the same (figure 12).

Most of the growth in cheese consumption last year came in natural cheese (table 15). However, after holding steady in 1973, processed cheese and especially processed foods and spreads resumed their upward growth. Since 1960, natural cheese use has expanded by over 80 percent while processed types have increased less than 70 percent (figure 13).

## FOREIGN TRADE AND DAIRY TRENDS

### Dairy Imports Down

U.S. imports of dairy products during January-October were equivalent to about 1.1 billion pounds of milk, down sharply from 2.5 billion pounds a year earlier and below the 1970-73 average of 1.4 billion pounds (table 16).

**Dairy product imports (milk equivalent)**

| Month | 1972 | 1973 | 1974 | 1975 |
|---|---|---|---|---|
| | *Million pounds* | *Million pounds* | *Million pounds* | *Million pounds* |
| January | 170 | 159 | 372 | 197 |
| February | 174 | 102 | 530 | 72 |
| March | 110 | 133 | 537 | 79 |
| April | 84 | 119 | 160 | 80 |
| May | 112 | 140 | 151 | 72 |
| June | 89 | 177 | 111 | 80 |
| July | 128 | 264 | 138 | 116 |
| August | 136 | 124 | 146 | 109 |
| September | 142 | 129 | 134 | 146 |
| October | 179 | 238 | 179 | 196 |
| November | 183 | 1,576 | 184 | |
| December | 187 | 699 | 282 | |
| Total[1] | 1,694 | 3,859 | 2,925 | |

[1] May not add due to rounding.

Cheese imports in recent months have been running at close-to-normal levels. Although quota imports of "under pricebreak" cheeses remained down, some non-quota types have been imported in slightly larger quantities. However, total cheese imports during January-October came to about 119 million pounds, down from about 265 million

Table 13--Per capita consumption of selected cheese varieties, United States, selected years, 1950-74

| Year | Swiss 1/ | Italian-types 2/ | Brick | Muenster | Cream and Neufchatel | Blue mold 3/ | Edam and Gouda | Limburger | Roquefort |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Pounds | | | | |
| 1950 | 0.70 | 0.54 | 0.20 | | 0.46 | 0.08 | 0.04 | 0.04 | 0.01 |
| 1955 | .81 | .66 | .16 | .11 | .49 | .09 | .05 | .03 | .01 |
| 1960 | .76 | 1.00 | .15 | .13 | .60 | .11 | .06 | .02 | .01 |
| 1961 | .73 | 1.02 | .13 | .13 | .60 | .11 | .07 | .02 | .01 |
| 1962 | .74 | 1.08 | .13 | .13 | .66 | .10 | .07 | .02 | .01 |
| 1963 | .72 | 1.18 | .13 | .13 | .62 | .10 | .07 | .02 | .01 |
| 1964 | .74 | 1.30 | .12 | .15 | .63 | .11 | .07 | .02 | .01 |
| 1965 | .73 | 1.40 | .12 | .16 | .64 | .12 | .07 | .02 | .01 |
| 1966 | .80 | 1.53 | .12 | .15 | .60 | .13 | .10 | .02 | .01 |
| 1967 | .81 | 1.59 | .11 | .15 | .62 | .12 | .10 | .01 | .01 |
| 1968 | .93 | 1.74 | .11 | .15 | .60 | .12 | .15 | .01 | .01 |
| 1969 | .85 | 1.97 | .10 | .16 | .62 | .13 | .10 | .01 | .01 |
| 1970 | .90 | 2.09 | .10 | .17 | .63 | .14 | .11 | .01 | .01 |
| 1971 | .95 | 2.34 | .11 | .20 | .64 | .15 | .10 | .01 | .01 |
| 1972 | 1.08 | 2.65 | .11 | .22 | .65 | .16 | .11 | .01 | .01 |
| 1973 | 1.08 | 2.86 | .11 | .22 | .67 | .17 | .12 | .01 | .01 |
| 1974 | 1.21 | 3.02 | .11 | .23 | .72 | .16 | .11 | .01 | .01 |
| 1975 | | | | | | | | | |
| 1976 | | | | | | | | | |
| 1977 | | | | | | | | | |

1/ Includes imports of Gruyere and Emmenthaler. 2/ Includes imports of Romano, Pecorino, Reggiano, Parmesano, Provolone, and Provelette. 3/ Includes Gorgonzola.

Table 14.--Consumption of Italian-type cheese, by variety, United States, selected years, 1957-74

| Variety | | Unit | 1957 | 1961 | 1964 | 1971 | 1972 | 1973 | 1974 |
|---|---|---|---|---|---|---|---|---|---|
| Provolone: | Total | Mil. lb. | 29.6 | 29.2 | 32.4 | 45.5 | 50.4 | 56.6 | 58.4 |
| | Per capita | Lb. | .18 | .16 | .17 | .22 | .24 | .27 | .28 |
| Romano: | Total | Mil. lb. | 19.0 | 28.8 | 29.4 | 29.7 | 35.5 | 32.7 | 32.3 |
| | Per capita | Lb. | .11 | .16 | .16 | .15 | .17 | .16 | .15 |
| Parmesan: | Total | Mil. lb. | 16.1 | 21.2 | 29.0 | 41.0 | 48.3 | 39.2 | 53.9 |
| | Per capita | Lb. | .10 | .12 | .15 | .20 | .23 | .19 | .26 |
| Mozzarella: | Total | Mil. lb. | 32.5 | 75.3 | 113.6 | 287.5 | 330.8 | 374.8 | 398.4 |
| | Per capita | Lb. | .19 | .42 | .60 | 1.41 | 1.60 | 1.80 | 1.90 |
| Ricotta: | Total | Mil. lb. | 26.9 | 24.8 | 34.6 | 58.1 | 65.4 | 72.0 | 71.2 |
| | Per capita | Lb. | .16 | .14 | .18 | .28 | .32 | .35 | .34 |
| Other: | Total | Mil. lb. | 6.3 | 5.3 | 6.3 | 15.3 | 17.0 | 19.2 | 18.5 |
| | Per capita | Lb. | .04 | .03 | .03 | .08 | .08 | .09 | .09 |

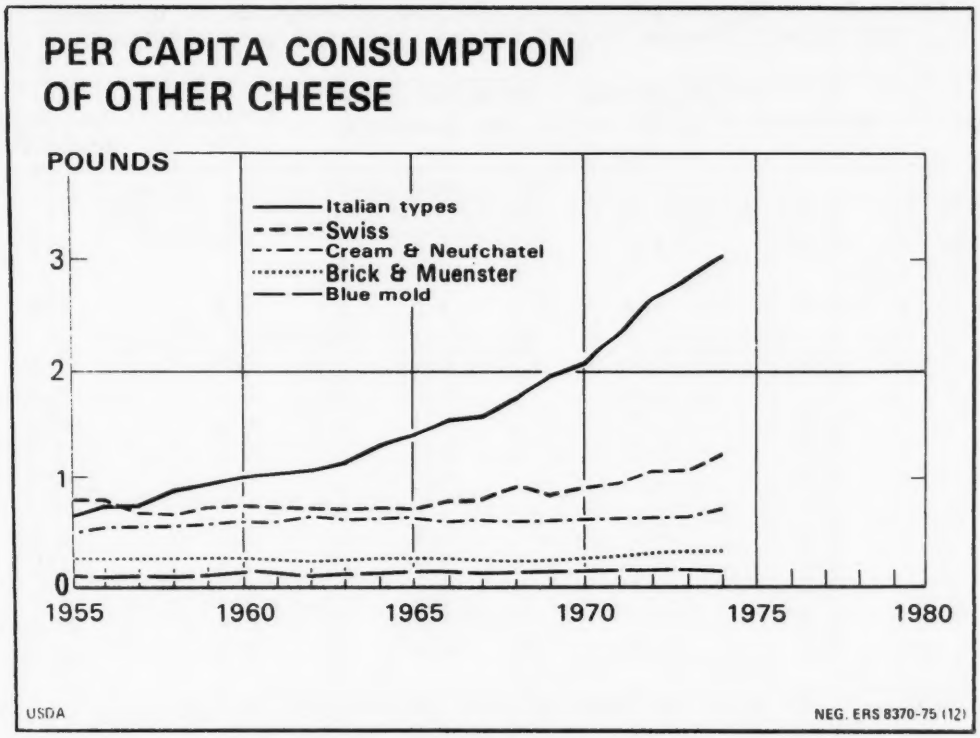


Figure 12

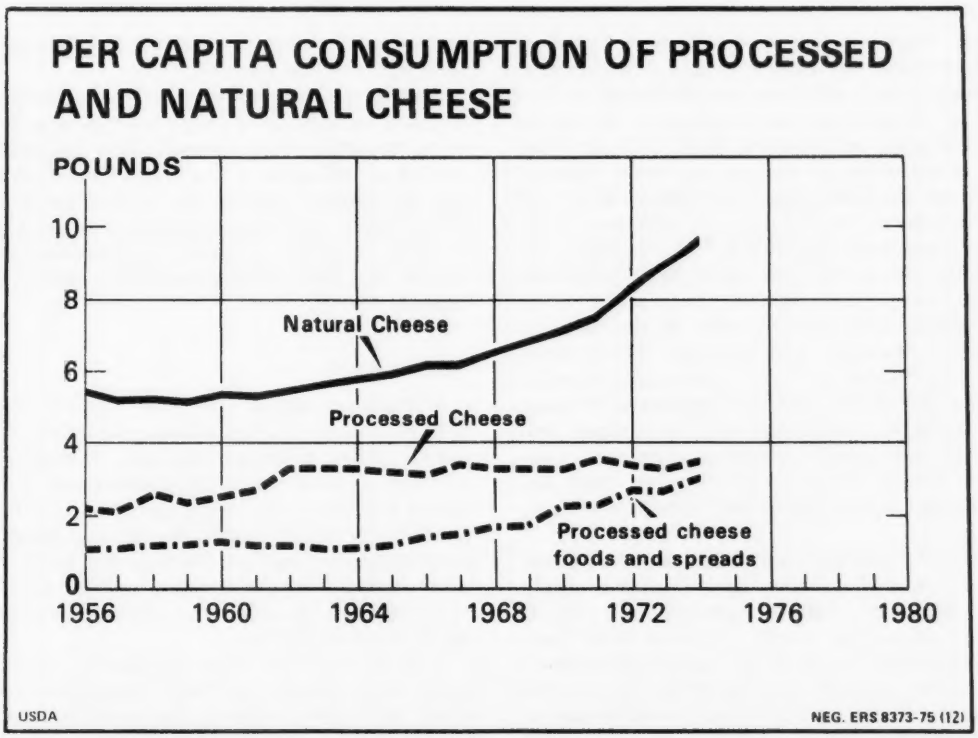


Figure 13

Table 15--Estimated per capita civilian consumption of processed and natural cheese, United States, selected years, 1956-74

| Year | Processed | Processed foods and spreads 1/ | Total processed and products 2/ | Natural 3/ | Total natural equivalent |
|---|---|---|---|---|---|
| | | | Pounds | | |
| 1956 | 2.2 | 1.1 | 3.3 | 5.4 | 8.0 |
| 1960 | 2.5 | 1.3 | 3.8 | 5.3 | 8.4 |
| 1965 | 3.2 | 1.2 | 4.4 | 5.9 | 9.5 |
| 1966 | 3.1 | 1.4 | 4.5 | 6.1 | 9.8 |
| 1967 | 3.4 | 1.5 | 4.9 | 6.1 | 10.1 |
| 1968 | 3.3 | 1.7 | 5.0 | 6.5 | 10.6 |
| 1969 | 3.3 | 1.8 | 5.1 | 6.8 | 10.9 |
| 1970 | 3.3 | 2.3 | 5.6 | 7.1 | 11.5 |
| 1971 | 3.6 | 2.3 | 5.9 | 7.5 | 12.1 |
| 1972 | 3.4 | 2.7 | 6.1 | 8.3 | 13.2 |
| 1973 | 3.3 | 2.7 | 6.1 | 8.9 | 13.7 |
| 1974 | 3.5 | 3.0 | 6.4 | 9.6 | 14.6 |

1/ Includes cold pack; excludes spreads from Neufchatel and Cream cheese. 2/ May not add due to rounding. 3/ Consumed in this form.

pounds in the same period of 1974 and a 1970-73 average of about 137 million pounds. Earlier this year, imports were inhibited by the threat of U.S. imposition of countervailing duties on European cheese. The price increases resulting from the elimination of subsidies on certain important types of cheese from the European Community (EC) may have affected imports recently. In addition to the agreement reached with the EC earlier this year, preliminary determinations have been published that bounties or grants, within the meaning of the countervailing duty statute, exist in the cases of Switzerland, Austria, and Norway. Final determination for Switzerland and Austria are expected before the end of the year. Investigations to determine if subsidies are being paid by Finland and Sweden are now nearly completed. Even with resolution of export subsidy-countervailing duty disputes, cheese imports likely will not increase substantially.

January-October imports, under quota, of butter, frozen cream, animal feed, and dried buttermilk were up this year while nonfat dry milk, canned milk, and chocolate crumb imports have been down. Non-quota imports of casein were down sharply while lactose imports were higher this year. For all of 1975, imports of all products subject to quota may total around 0.8 billion pounds milk equivalent, compared with the established quota level of 1.3 billion pounds.

During late November, limited quantities of a product consisting of sugar and nonfat dry milk were imported from Canada after importers succeeded in obtaining a Customs classification placing the product outside the import quota system. Following strong representations by the U.S. government, Canada stopped reduced-price sales of nonfat dry milk from government stocks and the imports ceased.

### Exports Small

Exports of nonfat dry milk totaled about 125 million pounds during January-October, up from only 5 million pounds a year ago. Almost all of the increase was a result of government donations under the Food for Peace program this summer, which were made possible by the increased USDA purchases and stocks. Nonfat dry milk exports were already at the highest annual total since 1972, but still far below the 400 million pound levels of the early 1970's.

Exports of other dairy products have remained quite small. During the first 10 months of 1975, exports were down slightly and were equivalent to less than 0.5 billion pounds of milk, mostly in the

Table 16.--Dairy products: U.S. imports, quota and non-quota, total 1974, and January-October 1974-75 1/

| Product | Calendar year quota | 1974 imports | October | | | Cumulative, January-October | | |
|---|---|---|---|---|---|---|---|---|
| | | | 1974 | 1975 | 1975 as a % of 1974 | 1974 | 1975 | 1975 as a % of 1974 |
| | Thou. lb. | Thou. lb. | Thou. lb. | Thou. lb. | Pct. | Thou. lb. | Thou. lb. | Pct. |
| Cheese, quota types | | | | | | | | |
| American-Cheddar | 10,037.5 | 107,017 | 280 | 2,110 | 754 | 101,179 | 4,288 | 04 |
| -Other | 6,096.6 | 5,101 | 1,432 | 1,550 | 108 | 2,226 | 1,822 | 82 |
| Italian-Original loaves | 11,500.1 | 8,982 | 760 | 1,255 | 165 | 7,347 | 5,908 | 80 |
| -Other | 1,494.0 | 1,185 | 10 | 214 | 2,140 | 1,017 | 1,025 | 101 |
| Edam and Gouda-Natural | 9,200.4 | (9,371) | (722) | (762) | (106) | (6,588) | (6,599) | (100) |
| -Processed | 3,151.0 | ( ) | ( ) | ( ) | ( ) | ( ) | ( ) | ( ) |
| Blue Mold | 5,017.0 | 5,015 | 598 | 527 | 88 | 4,123 | 3,180 | 77 |
| Swiss-Emmenthaler, -92¢* | 20,420.0 | 12,647 | 796 | 446 | 56 | 11,119 | 7,338 | 66 |
| -Gruyere-process, -92¢* | 11,242.0 | 6,285 | 562 | 250 | 44 | 5,031 | 3,443 | 68 |
| Other-Over 0.5% fat, -92¢* | 40,730.0 | 35,478 | 3,542 | 361 | 10 | 22,275 | 9,036 | 41 |
| -Under 0.5% fat | 8,901.0 | 8,616 | 254 | 232 | 91 | 8,054 | 4,031 | 50 |
| Total | 127,789.6 | 199,697 | 8,956 | 7,707 | 86 | 168,959 | 46,670 | 28 |
| Cheese, non-quota types | | | | | | | | |
| Swiss-Emmenthaler, 92¢ +* | | 51,216 | 4,243 | 3,888 | 92 | 43,391 | 29,399 | 68 |
| -Gruyere-process, 92¢ +* | | 9,019 | 917 | 983 | 107 | 7,582 | 4,779 | 63 |
| Other, 92¢ +* | | 35,916 | 2,887 | 5,292 | 183 | 29,822 | 23,339 | 78 |
| Pecorino | | 16,465 | 1,343 | 1,289 | 96 | 12,309 | 12,735 | 103 |
| Roquefort | | 1,439 | 153 | 156 | 102 | 1,161 | 1,076 | 93 |
| Other 2/ | | 1,907 | 262 | 301 | 115 | 1,651 | 1,392 | 84 |
| Total | | 115,962 | 9,805 | 11,909 | 121 | 95,916 | 72,720 | 76 |
| Other quota products | | | | | | | | |
| Butter | 707.0 | 453 | 52 | 47 | 90 | 330 | 451 | 137 |
| Butteroil | 1,200.0 | 1,200 | --- | --- | --- | 1,200 | 1,200 | 100 |
| Butterfat mixtures | 2,580.0 | --- | --- | --- | --- | --- | 495 | --- |
| Ice cream | 3,377.3 | --- | --- | --- | --- | --- | --- | --- |
| Frozen cream | 12,540.0 | 12,406 | 1,828 | 2,499 | 137 | 9,345 | 11,073 | 118 |
| Nonfat dry milk | 1,807.0 | 115,065 | --- | 220 | --- | 114,336 | 1,822 | 2 |
| Dried buttermilk | 496.0 | 137 | --- | --- | --- | 137 | 763 | 557 |
| Evaporated milk | 1,312.0 | 1,214 | --- | --- | --- | 1,209 | 453 | 37 |
| Condensed milk | 4,079.0 | 1,393 | 146 | --- | --- | 1,263 | 428 | 34 |
| Chocolate crumb-Regular | 17,000.0 | 4,748 | 640 | 143 | 22 | 4,572 | 982 | 21 |
| -Lowfat | 4,680.0 | --- | --- | --- | --- | --- | 269 | --- |
| Animal feed with milk solids | 16,300.0 | 9,009 | 1,467 | 7,925 | 540 | 8,216 | 15,131 | 184 |
| Non-quota products | | | | | | | | |
| Casein | | 112,889 | 8,000 | 6,711 | 84 | 103,986 | 43,910 | 42 |
| Lactose | | 1,310 | 65 | --- | --- | 1,087 | 5,320 | 489 |
| Milk equivalent, fat solids basis, total all products | 1,305,620 | 2,924,674 | 179,192 | 195,723 | 109 | 2,458,702 | 1,146,251 | 47 |

1/ Preliminary. 2/ Gjetost, Bryndza, Gammelost and Noekkelost, and Goya.
* Price break effective October 16, 1975.

January-October dairy product exports

| Product | 1974 | 1975 | Change |
|---|---|---|---|
| | *Million pounds* | *Million pounds* | *Percent* |
| Butter[1] | 1.1 | 0.8 | -27.3 |
| Cheese | 6.4 | 6.9 | +7.8 |
| Evaporated milk | 34.2 | 42.8 | +25.1 |
| Condensed milk | 1.4 | 1.5 | +7.1 |
| Dry whole milk | 38.4 | 29.3 | -23.7 |
| Nonfat dry milk | 5.2 | 125.2 | +2,307.7 |
| Milk equivalent[2] | 494.0 | 464.8 | -5.9 |

[1] Includes butter equivalent of butteroil and anhydrous milkfat. [2] Includes some products not shown separately.

form of cheese, canned milk, and infant and dietetic foods. Exports of other-than-American cheese and canned milk were above year-earlier levels but other products trailed. Commercial exports of these products are likely to remain low.

An additional 0.4 billion pounds milk equivalent was shipped to U.S. territories during January-September, slightly less than a year ago. More dry whole milk, condensed milk, and other-than-American cheese was shipped but other products were down.

### World Milk Production Up—Nonfat in Record Surplus

Total 1975 milk production in 38 major producing countries is estimated at about 850 billion pounds, up almost 1 percent from 1974, while 1976 world milk production likely will change little from the 1975 level (table 17).

Increased production in 1976 is expected in practically all of the market economy countries in the reporting group of 38 except Australia, where a change in dairy income policy is expected to hold production slightly below this year's production, and the United Kingdom where recent producer returns have been unfavorable.

Production decreases are likely for the USSR and Poland, based on the reduced 1975 Soviet grain harvest and related tight supplies of forages.

Nonfat dry milk stocks have continued to increase worldwide and are a major problem. In the EC, stocks have reached over 1 million tons (2.2 billion pounds), almost twice year-earlier levels. Stocks were also heavy in the U.S. and Canada and had increased sharply in Australia and New Zealand. Total world stocks now exceed the average yearly world trade. Coupled with higher production, this worldwide situation has resulted from decreases in demand, partly due to competition from other cheap sources of protein for animal feed.

World butter and cheese stocks are also large. By the end of 1975, butter holdings in principal countries are expected to be about a sixth higher than a year ago, with two-thirds of the increase in the EC. While EC stocks have declined seasonally, their relatively high levels, recent increases in butter intervention prices, and prospective milk production increases suggest a difficult situation in 1976. In addition, cheese stocks on November 1 were above year-earlier levels in Europe, New Zealand, and Australia.

Table 17.Milk: Production in specified countries, average 1967-71, annual 1972-75 1/
(In thousands of metric tons)*

| Region and country | Average 1967-71 | 1972 | 1973 | 1974 2/ | 1975 3/ | 1975 percent change from 1974 |
|---|---|---|---|---|---|---|
| North America: | | | | | | |
| Canada | 8,291 | 8,018 | 7,639 | 7,562 | 7,711 | +2.0 |
| Mexico | 5,213 | 6,007 | 6,199 | 6,331 | 6,619 | +4.5 |
| United States | 53,329 | 54,388 | 52,445 | 52,352 | 52,337 | 4/ |
| Total North America | 66,833 | 68,413 | 66,303 | 66,245 | 66,667 | + .6 |
| South America: | | | | | | |
| Argentina | 4,458 | 5,344 | 5,792 | 6,032 | 6,184 | +2.5 |
| Brazil | 7,139 | 7,517 | 7,211 | 8,497 | 8,827 | +3.9 |
| Chile | 985 | 1,075 | 855 | 906 | 926 | +2.2 |
| Peru | 236 | 607 | 619 | 625 | 634 | +1.4 |
| Venezuela | 840 | 1,049 | 1,023 | 1,099 | 1,133 | +3.1 |
| Total South America | 13,658 | 15,592 | 15,500 | 17,159 | 17,704 | +3.2 |
| Europe: | | | | | | |
| Belgium-Luxembourg | 4,024 | 3,879 | 3,850 | 3,980 | 3,850 | -3.3 |
| Denmark | 4,876 | 4,786 | 4,729 | 4,818 | 4,830 | + .2 |
| France | 29,465 | 29,939 | 30,307 | 30,607 | 30,650 | + .1 |
| Germany, West | 21,815 | 21,490 | 21,265 | 21,508 | 21,360 | - .7 |
| Ireland | 3,638 | 3,936 | 4,161 | 4,033 | 4,189 | +3.9 |
| Italy | 9,841 | 10,102 | 10,339 | 10,110 | 10,070 | - .4 |
| Netherlands | 7,969 | 8,951 | 9,354 | 9,915 | 10,200 | +2.9 |
| United Kingdom | 12,643 | 13,444 | 14,287 | 13,692 | 13,315 | -2.8 |
| Total EC | 94,271 | 96,527 | 98,292 | 98,663 | 98,464 | - .2 |
| Austria | 3,368 | 3,311 | 3,300 | 3,272 | 3,237 | -1.1 |
| Finland | 3,471 | 3,286 | 3,201 | 3,856 | 3,776 | -2.1 |
| Greece | 1,322 | 1,442 | 1,569 | 1,641 | 1,713 | +4.4 |
| Norway | 1,752 | 1,829 | 1,825 | 1,824 | 1,821 | - .2 |
| Portugal | 423 | 476 | 636 | 695 | 701 | + .9 |
| Spain | 4,661 | 5,045 | 5,332 | 5,430 | 5,615 | +3.4 |
| Sweden | 3,128 | 2,972 | 2,990 | 3,072 | 3,053 | - .6 |
| Switzerland | 3,235 | 3,234 | 3,295 | 3,360 | 3,356 | - .1 |
| Total Western Europe | 115,631 | 118,122 | 120,440 | 121,813 | 121,736 | - .1 |
| Bulgaria | 1,567 | 1,623 | 1,660 | 1,650 | 1,660 | + .6 |
| Czechoslovakia | 4,599 | 5,044 | 5,346 | 5,418 | 5,450 | + .6 |
| Germany, East | 7,121 | 7,515 | 7,785 | 7,803 | 7,850 | + .6 |
| Hungary | 1,863 | 1,791 | 1,926 | 2,030 | 2,111 | +4.0 |
| Poland | 14,765 | 15,362 | 16,291 | 17,068 | 17,872 | +4.7 |
| Romania | 3,441 | 3,069 | 3,200 | 3,300 | 3,350 | +1.5 |
| Yugoslavia | 2,820 | 2,813 | 3,206 | 3,531 | 3,632 | +2.9 |
| Total Eastern Europe | 36,177 | 37,717 | 39,414 | 40,800 | 41,925 | +2.8 |
| Total Europe | 151,808 | 155,839 | 159,854 | 162,613 | 163,661 | + .6 |
| U.S.S.R. (Europe and Asia) | 81,980 | 83,181 | 88,300 | 91,800 | 92,000 | + .2 |
| Africa: | | | | | | |
| South Africa | 2,760 | 2,955 | 2,926 | 3,306 | 3,260 | -1.4 |
| Total Africa | 2,760 | 2,955 | 2,926 | 3,306 | 3,260 | -1.4 |
| Asia: | | | | | | |
| India | 21,180 | 22,700 | 23,100 | 23,700 | 24,500 | +3.4 |
| Japan | 2,818 | 4,937 | 4,908 | 4,868 | 4,940 | +1.5 |
| Total Asia | 23,998 | 27,637 | 28,008 | 28,568 | 29,440 | +3.1 |
| Oceania: | | | | | | |
| Australia 5/ | 7,366 | 7,275 | 7,264 | 6,957 | 6,742 | -3.1 |
| New Zealand 6/ | 6,173 | 6,248 | 6,015 | 5,664 | 5,974 | +5.5 |
| Total Oceania | 13,540 | 13,523 | 13,279 | 12,621 | 12,716 | + .8 |
| World total | 354,576 | 367,140 | 374,170 | 382,312 | 385,410 | + .8 |

Note: Totals may not add due to rounding.

1/ Includes other-than-cows milk where available.
2/ Revised.
3/ Preliminary.
4/ Less than one-tenth of a percent.
5/ Year ending June 30.
6/ Year ending May 30.

*1,000 metric ton = 2.2046 million pounds.

Table 18.--U.S. Dairy Situation at a Glance

| Item | Unit or base period | 1973 | 1974 | | | | | 1975 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Oct. | Aug. | Sept. | Oct. | Nov. | Year | Aug. | Sept. | Oct. |
| Production and cow numbers: | | | | | | | | | | |
| Total milk | Mil. lb. | 8,948 | 9,690 | 9,140 | 9,125 | 8,669 | 115,416 | 9,609 | 9,101 | 9,205 |
| Milk per cow | Lb. | 791 | 865 | 815 | 815 | 774 | 10,286 | 863 | 818 | 827 |
| Number of milk cows | Thou. | 11,306 | 11,207 | 11,208 | 11,199 | 11,207 | 11,221 | 11,137 | 11,132 | 11,126 |
| Prices received by farmers: | | | | | | | | | | |
| All milk, sold to plants, 100 pounds | Dol. | 8.32 | 7.74 | 8.07 | 8.34 | 8.48 | 8.32 | 8.56 | 9.16 | 9.66 |
| Percentage of parity 1/ | Pct. | 83 | 73 | 71 | 72 | 72 | 81 | 78 | 78 | 81 |
| Manufacturing grade milk, 100 pounds | Dol. | 7.45 | 6.46 | 6.81 | 7.03 | 7.02 | 7.13 | 7.60 | 8.22 | 8.72 |
| Parity equivalent | Dol. | 7.63 | 8.71 | 8.88 | 8.96 | 9.04 | 8.52 | 9.56 | 9.64 | 9.64 |
| Fat content | Pct. | 3.76 | 3.55 | 3.66 | 3.77 | 3.82 | 3.66 | 3.55 | 3.67 | 3.77 |
| Minnesota-Wisconsin (3.5% fat), 100 pounds | Dol. | 7.49 | 6.39 | 6.69 | 6.82 | 6.76 | 7.06 | 7.70 | 8.27 | 8.60 |
| Milk eligible for fluid market, 100 pounds | Dol. | 8.55 | 8.10 | 8.39 | 8.66 | 8.83 | 8.66 | 8.83 | 9.41 | 9.89 |
| Price ratios and dairy ration values: | | | | | | | | | | |
| Milk-feed | Lb. | 1.57 | 1.16 | 1.22 | 1.21 | 1.23 | 1.35 | 1.41 | 1.54 | 1.62 |
| Manufacturing grade milk-hog | Lb. | .18 | .18 | .20 | .19 | .19 | .21 | .14 | .14 | .15 |
| Manufacturing grade milk-beef cattle | Lb. | .17 | .17 | .21 | .23 | .25 | .20 | .23 | .24 | .25 |
| Value of concentrate ration fed milk cows | Dol. | 5.30 | 6.68 | 6.64 | 6.88 | 6.91 | 6.23 | 6.08 | 5.96 | 5.95 |
| Farm cash receipts from dairy products | Mil. dol. | 740 | 723 | 704 | 735 | 719 | 9,399 | 792 | 798 | 853 |
| Production of factory products: | | | | | | | | | | |
| Creamery butter | Mil. lb. | 63.4 | 70.4 | 63.9 | 70.7 | 67.3 | 961.7 | 58.9 | 57.0 | 66.6 |
| American cheese, whole milk | Mil. lb. | 122.2 | 144.2 | 125.0 | 125.5 | 116.6 | 1,858.6 | 133.8 | 115.6 | 120.7 |
| Cheese, other than American | Mil. lb. | 80.4 | 88.1 | 88.9 | 93.0 | 89.2 | 1,071.8 | 92.5 | 97.4 | 97.9 |
| Canned milk, unskimmed | Mil. lb. | 80.2 | 84.8 | 65.2 | 60.9 | 60.8 | 1,035.2 | 74.9 | 73.7 | 68.7 |
| Dry whole milk | Mil. lb. | 4.9 | 4.0 | 3.1 | 3.7 | 2.8 | 67.7 | 5.5 | 4.2 | 5.4 |
| Frozen products 2/ | Mil. gal. | 88.9 | 118.4 | 99.5 | 88.2 | 74.2 | 1,124.3 | 118.0 | 104.6 | 92.2 |
| Creamed cottage cheese | Mil. lb. | 76.2 | 73.0 | 68.8 | 70.4 | 66.4 | 855.5 | 73.0 | 72.2 | 73.5 |
| Total whole milk equivalent 3/ | Mil. lb. | 4,163 | 5,124 | 4,422 | 4,355 | 3,985 | 60,821 | 4,785 | 4,322 | 4,341 |
| Nonfat dry milk, human use | Mil. lb. | 54.4 | 99.1 | 68.9 | 54.6 | 51.5 | 1,019.9 | 76.2 | 53.2 | 50.3 |
| Wholesale prices: | | | | | | | | | | |
| Butter, 92-score, Chicago, pound | Ct. | 79.3 | 67.1 | 67.7 | 68.8 | 68.9 | 65.7 | 83.6 | 87.9 | 93.0 |
| Cheese, American (40-pound blocks), f.o.b. Wisconsin assembling points, pound | Ct. | 84.2 | 72.5 | 76.5 | 78.5 | 77.8 | 79.9 | 89.8 | 94.0 | 99.0 |
| Evaporated milk, case (mid-point of range) | Dol. | 10.48 | 11.93 | 11.93 | 11.93 | 11.93 | 11.76 | 12.08 | 12.32 | 12.40 |
| Dry whole milk, pound | Ct. | 67.3 | 61.6 | 63.2 | 65.4 | 63.9 | 65.9 | 70.6 | 76.2 | 79.2 |
| Nonfat dry milk, pound | Ct. | 51.8 | 57.2 | 57.4 | 57.7 | 57.0 | 58.6 | 61.4 | 64.6 | 68.9 |
| Dairy products and ice cream index (BLS) | 1967=100 | 139.6 | 142.4 | 144.8 | 146.4 | 146.8 | 146.4 | 156.3 | 160.8 | 165.6 |
| Retail prices (BLS): | | | | | | | | | | |
| Milk, fresh, grocery, half-gallon | Ct. | 70.3 | 77.5 | 77.3 | 77.5 | 77.6 | 78.4 | 77.0 | 77.7 | 78.7 |
| Evaporated milk, 14½-ounce can | Ct. | 23.6 | 29.8 | 30.0 | 30.1 | 30.2 | 28.8 | 30.4 | 30.6 | 31.0 |
| Cheese, American, processed, sliced, ½-pound package | Ct. | 63.5 | 70.9 | 71.0 | 71.4 | 72.9 | 72.9 | 76.5 | 77.9 | 80.6 |
| Butter, pound | Ct. | 106.0 | 90.5 | 93.5 | 94.4 | 95.9 | 94.6 | 101.9 | 107.1 | 114.6 |
| Ice cream, half-gallon | Ct. | 96.3 | 108.6 | 109.9 | 112.3 | 114.6 | 107.6 | 121.1 | 120.8 | 122.3 |
| Dairy products index | 1967=100 | 137.3 | 150.7 | 151.1 | 151.7 | 152.7 | 151.9 | 154.3 | 156.3 | 159.4 |
| All foods index | 1967=100 | 148.4 | 162.8 | 165.0 | 166.1 | 167.8 | 161.7 | 178.1 | 177.8 | 179.0 |
| Margarine, colored, pound | Ct. | 44.3 | 57.5 | 63.7 | 66.4 | 69.3 | 57.4 | 58.5 | 58.9 | 58.9 |
| Stocks, end of month: | | | | | | | | | | |
| Creamery butter | Mil. lb. | 67.5 | 122.0 | 105.6 | 83.1 | 58.0 | --- | 79.2 | 39.6 | 25.5 |
| Cheese, total 4/ | Mil. lb. | 371.0 | 552.4 | 539.1 | 512.1 | 502.2 | --- | 463.3 | 431.5 | 395.9 |
| Canned milk, unskimmed | Mil. lb. | 89.4 | 167.8 | 153.8 | 124.1 | 101.0 | --- | 105.6 | 96.6 | 71.0 |
| Dry whole milk | Mil. lb. | 7.6 | 12.6 | 10.8 | 9.7 | 5.4 | --- | 6.9 | 6.2 | 4.4 |
| Total whole milk equivalent 5/ | Mil. lb. | 5,091 | 8,202 | 7,680 | 6,891 | 6,192 | --- | 6,300 | 5,143 | 4,429 |
| Nonfat dry milk | Mil. lb. | 78.2 | 252.0 | 252.3 | 250.1 | 260.1 | --- | 529.4 | 515.0 | 485.9 |
| Commercial disappearance: | | | | | | | | | | |
| Creamery butter | Mil. lb. | 72.1 | 76.6 | 73.8 | 93.4 | 88.9 | 929.9 | 78.8 | 66.2 | 79.1 |
| Cheese, American | Mil. lb. | 133.7 | 138.3 | 126.6 | 145.9 | 122.8 | 1,780.6 | 160.2 | 142.2 | 153.8 |
| Cheese, other than American | Mil. lb. | 103.6 | 107.8 | 101.9 | 114.7 | 107.1 | 1,269.5 | 105.3 | 112.3 | 114.4 |
| Canned milk, unskimmed | Mil. lb. | 86.9 | 70.6 | 77.8 | 88.0 | 82.4 | 999.5 | 82.4 | 79.3 | 93.4 |
| Milk in all products | Mil. lb. | 9,163 | 9,626 | 9,237 | 9,778 | 9,148 | 112,803 | 10,146 | 9,446 | 9,755 |
| Nonfat dry milk | Mil. lb. | 82.3 | 61.9 | 60.1 | 50.2 | 44.1 | 809.9 | 93.2 | 72.9 | 70.1 |
| USDA net removals: | | | | | | | | | | |
| Butter | Mil. lb. | --- | * | --- | -.2 | -1.0 | 32.7 | -17.4 | -3.2 | --- |
| Cheddar cheese | Mil. lb. | --- | 15.6 | 14.4 | 3.7 | 4.9 | 60.3 | .1 | .1 | --- |
| Nonfat dry milk | Mil. lb. | 1.8 | 46.9 | 31.8 | 27.7 | 22.0 | 265.0 | .5 | -.4 | -4.7 |
| Evaporated milk | Mil. lb. | --- | 3.1 | 1.5 | 2.4 | 1.5 | 28.3 | 1.8 | 3.3 | 1.0 |
| Total whole milk equivalent | Mil. lb. | --- | 162 | 145 | 37 | 32 | 1,346 | -355 | -59 | 2 |
| Fluid sales, change from year earlier: 6/ | | | | | | | | | | |
| Whole milk | Pct. | -4.6 | -3.6 | -4.2 | -2.8 | -3.7 | -6.2 | -1.3 | -.4 | |
| Cream and cream mixtures | Pct. | -1.0 | +5.8 | +4.9 | +2.3 | +4.8 | +2.3 | -.8 | +8.9 | |
| Low-fat and skim milk | Pct. | +9.8 | +5.2 | +9.6 | +10.9 | +8.2 | +6.6 | +7.9 | +10.4 | |
| Total | Pct. | -3.9 | -1.1 | -.4 | +1.0 | -.8 | -2.7 | +1.5 | +2.9 | |

1/ Seasonally adjusted price as percentage of parity price.
2/ Ice cream, ice milk, and sherbet.
3/ Includes manufactured products for which current monthly series are available.
4/ Natural, plus process American cheese held by CCC.
5/ Excludes cream and bulk condensed milk.
6/ Daily average sales in Federal and State Marketing areas.

*Less than 50,000 pounds.

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